

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION
OF GUAM



ADMINISTRATIVE DOCKET)
CONTRACT REVIEW PROTOCOL FOR) DOCKET 05-09
DEPARTMENT OF PUBLIC WORKS)
DIVISION OF SOLID WASTE)
MANAGEMENT)

ORDER

Pursuant to its authority under 10 GCG Section 51118 (e), the Guam Public Utilities Commission [PUC] establishes the following protocol to identify and review regulated contracts and obligations of Department of Public Works' Division of Solid Waste Management [Division], which are funded by the Solid Waste Operations Fund.

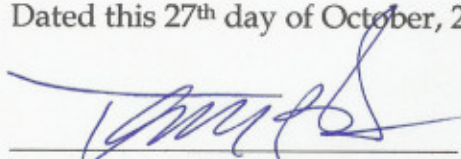
1. The following Division contracts and obligations shall require prior PUC approval under 10 GCG Section 5118 (e), which shall be obtained before the procurement process is begun:
 - a) All capital improvement projects (CIP) in excess of \$50,000 whether or not a project extends over a period of one year or several years;
 - b) All capital items by account group, which in any year exceed \$50,000;
 - c) All professional service procurements in excess of \$50,000;
 - d) All externally funded loan obligations and other financial obligations such as lines of credit, bonds, etc. in the excess of \$50,000 and any use of said funds;
 - e) Any contract or obligation not specifically referenced above which exceeds \$50,000, not including individual contracts within an approved CIP or contract;
 - f) Any agreement to compromise or settle disputed charges for services by Division, when the amount of the waived charges would exceed \$50,000.

2. Emergency procurements, which are made by Division under 5 GCA section 5215, shall not require PUC approval; provided, however that Division shall file its section 5215 determination, the governor's written approval of same, and the procurement details, as set forth in paragraph 5(b) below, within 20 days of the declaration.
3. With regard to multi-year contracts:
 - a) The term of a contract or obligation [*procurement*] will be the term stated therein, including all options for extension or renewal.
 - b) The test to determine whether a procurement exceeds the \$50,000 threshold for PUC review and approval [*the review threshold*] is the total estimated cost of the procurement, including cost incurred in any renewal options.
 - c) For a multi-year procurement with fixed terms and fixed annual costs, Division must obtain PUC approval if the total costs over the entire procurement term exceed the review threshold. No additional PUC review shall be required after the initial review process.
 - d) For multi-year procurements with fixed terms and variable annual costs, Division shall seek PUC approval of the procurement if the aggregate cost estimate for the entire term of the procurement exceeds its review threshold. On each anniversary date during the term of the procurement, Division will file a cost estimate for the coming year of the procurement. Division shall seek PUC approval in the event a procurement subject to this paragraph should exceed 120% of the aggregate cost initially approved by PUC.
 - e) Unless for good cause shown, any petition for PUC approval of a multi-year procurement must be made sufficiently in advance of the commencement of the procurement process to provide PUC with reasonable time to conduct its review.

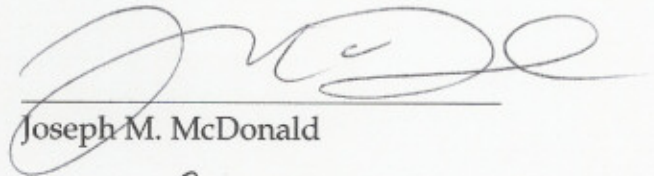
4. On or before September 15 of each year, Division will use best efforts to file with PUC:
 - a) Its budget for the coming fiscal year beginning October 1 plus estimates for the subsequent two fiscal years. The filing shall contain a description of each CIP contained with the budget and estimates. Project descriptions should be sufficiently detailed to identify the specific location and type of equipment to be purchased, leased or installed.
 - b) The following information should be provided with regard to each CIP project / contract or obligation requiring PUC approval under paragraph 1:
 - i) Scheduled start, completion and in service dates.
 - ii) Capital requirements by year of the expected expenditure and anticipated source of funding (i.e., bonds, internal, etc.)
 - iii) Impact on service of delaying or canceling the project, contract or obligation.
 - iv) Copies of all economic and engineering studies, where relevant.
5. If during any fiscal year, Division desires to undertake a contract or obligation covered by paragraph 1, for which approval has not otherwise been received, it may file an application with the PUC for approval of such contract or obligation, which shall contain the information required in paragraph 4(b) above. Division shall obtain PUC approval thereof before the procurement process is begun.
6. Division shall, on or before December 1 of each year, file a report on the contracts and obligations approved by PUC for the prior fiscal year pursuant to this stipulation. This report shall show the amount approved by PUC and the actual expenditures incurred during the preceding fiscal year for each such contract and obligation and other changes from the prior filing in cost estimateds, start dates and inservice or completion dates.
7. Division shall not incur expenses for PUC approved contracts and obligations in excess of 20% over the amount authorized by PUC without prior approval. In the event Division estimates that it will exceed the PUC approved level of expenditures by more than 20%, it shall submit to PUC the revised estimate and full explanation of all additional cost.

8. To the extent Division submits a filing to PUC under this order which PUC staff believes is incomplete or deficient, it shall notify Division and the PUC within 15 calendar days thereof with specific indication of the alleged incompleteness or deficiency.
9. PUC staff will use best efforts to be prepared for hearing within 45 days of a complete Division filing under the terms of paragraph 4 above. PUC's administrative law judge, in his judgment, is authorized to shorten the above 45 day period, for good cause shown by Division.
10. PUC's administrative law judge is authorized to interpret the meaning of any provision of this order, in furtherance of the contract review process.

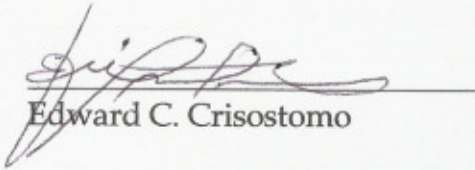
Dated this 27th day of October, 2005.



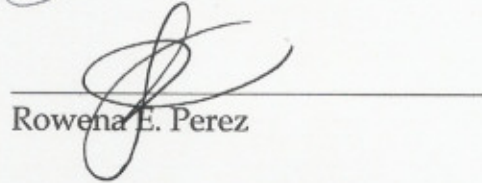
Terrence M. Brooks



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