

**BEFORE THE GUAM CIVIL SERVICE COMMISSION**

IN THE MATTER OF: )  
 ) **GPA DOCKET 11-17**  
 )  
THE APPLICATION OF THE GUAM )  
POWER AUTHORITY REQUESTING ) **ORDER**  
APPROVAL OF THE PROCUREMENT )  
OF SOFTWARE IMPLEMENTATION )  
SERVICES )  
\_\_\_\_\_ )

**INTRODUCTION**

1. This matter comes before the Guam Public Utilities Commission [“PUC”] upon the Application of the Guam Power Authority [“GPA”] requesting approval of the Procurement of Software Implementation Services.<sup>1</sup>

**BACKGROUND**

2. In its Order dated April 18, 2011, the Commission authorized GPA to expend \$2,000,000 for the Enterprise Resource Planning Software Implementation Project, as well as \$500,000 for Enterprise Resource Planning Consulting and Technology Assessment Implementation Study.<sup>2</sup>
3. In its Order, the PUC referenced a finding in the Baker Tilly Report that GPA has lagged in the application of technology to business practices: “It is of critical long term importance that GPA upgrade its technological capabilities. GPA should be allowed to proceed with procurement of its Enterprise Resource Planning Software Implementation Project.”<sup>3</sup>
4. In addition, the PUC determined that the Enterprise Resource Planning Consulting Contract and the Technology Gap Assessment will enhance GPA’s ability “to make proper decisions concerning the implementation of the new technology and to provide services to customers in as efficient and effective a manner as possible.”<sup>4</sup>

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<sup>1</sup> GPA Application Requesting Approval of the Procurement of Software Implementation Services, GPA Docket 11-17, filed December 21, 2011.

<sup>2</sup> PUC Order GPA Docket 10-01, dated April 18, 2011 at p. 1.

<sup>3</sup> Id. at p. 2.

<sup>4</sup> Id.

5. The Commission, in its Ordering provisions, indicated that GPA was required to seek final contract review approval for the Enterprise Resource Planning Software Implementation Project.<sup>5</sup>
6. GPA has now completed its assessment of the current Enterprise Resource Planning (ERP) system as well as its Customer Information System (CIS). The ERP Report, was prepared by SAIC (“Science Applications International Corporation”), and recommends that GPA upgrade to Oracle’s Enterprise One ERP System (E1). The CIS Report, also prepared by SAIC, recommends that GPA utilize Oracle CIS software, which is fully integrated with the Oracle E1 system.<sup>6</sup>
7. GPA has submitted a draft of its Request for Proposals for Software Implementation Services, and now requests that the PUC authorize it to proceed with the procurement of such Software Implementation Services.<sup>7</sup>
8. The Guam Consolidated Commission on Utilities, in Resolution No. 2011-57, approved GPA’s request to petition the PUC for authorization to issue an RFP for Software Implementation Services and to negotiate for the purchase of Customer Information System Software.<sup>8</sup>
9. On January 24, 2012, the PUC’s Consultant, the Georgetown Consulting Group, Inc. [“GCG”] submitted its “review of GPA Information Systems Implementation Plan” to the PUC.<sup>9</sup>

### **DETERMINATIONS**

10. The PUC adopts GCG’s recommendation that PUC approve GPA’s procurement and acquisition of software implementation services necessary for the integration of its various software initiatives, including its ERP and CIS; the products will necessarily be integrated with GPA’s Smart Grid initiative.

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<sup>5</sup> Id. at p. 3.

<sup>6</sup> Letter from General Manager of GPA to ALJ, GPA Docket 11-17, dated December 9, 2011, at p. 1.

<sup>7</sup>GPA Application requesting Approval of the Procurement of Software Implementation Services, filed December 21, 2011, p. 2; see Request for Proposal, Software Implementation Services, attached to the Application.

<sup>8</sup> CCU Resolution No. 2011-57, adopted November 29, 2011, at p. 1.

<sup>9</sup> GCG Report Re: Review of GPA Information Systems Implementation Plan, GPA Docket 11-17, dated January 24, 2012.

11. As indicated by GCG, GPA's proposed Software Implementation Services plan is consistent with Best Practice Utilities in the United States, and should improve GPA's ability to align workflow of processes, provide more options for billing and customer care, and support new initiatives such as those being adopted by GPA for work management, project accounting, and asset management.<sup>10</sup>
12. GPA has provided sufficient justification for the proposed upgrade/replacement; the age of GPA's current software and the issues identified in the gap analyses provide justification that GPA should move on to "better tools to meet their current and future needs."<sup>11</sup>
13. GPA has performed sufficient due diligence in making its software selection; based upon the processes followed and the alternatives available, GPA has selected an appropriate ERP and CIS.<sup>12</sup>
14. GPA, as stated in GCG's findings, will face significant challenges to the implementation of its new ERP and CIS software, and the Smart Grid program. GPA will be required to commit personnel, resources, adequate external resources to the implementation project. Change processes for GPA managers and employees will have to be undertaken in order to successfully implement the plans; the managers and employees will need to gain a complete understanding of the functionality of the new systems.<sup>13</sup>

### ORDERING PROVISIONS

After careful review and consideration of the above determinations, the Application of GPA requesting Approval of the Procurement Software Implementation Services, the Report of GCG, and the record herein, for good cause shown, on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. GPA's Application to procure Software Implementation Services is approved.

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<sup>10</sup> Id. at p. 5.

<sup>11</sup> Id.

<sup>12</sup> Id.

<sup>13</sup> Id. at p. 6.

2. GPA has already been authorized to expend \$2 Million for implementation of the E1 and CIS, and will also utilize \$200,000 from the Smart Grid project for such implementation. Should GPA utilize additional bond funds for such services, or should GPA's total expenditure exceed \$1.5 Million in revenue funds, GPA must obtain prior approval from the PUC for such additional expenditures.
3. Once GPA selects an Offeror for the Software Implementation Services RFP, it shall seek final contract review approval from the PUC.
4. GPA shall provide periodic updates (at least bi-annually) to PUC of its budgets, timelines, and work plans for the ERP and CIS implementation
5. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Dated this 6<sup>th</sup> day of February, 2012.

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Jeffrey C. Johnson  
Chairman

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Joseph M. McDonald  
Commissioner

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Rowena E. Perez  
Commissioner

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Filomena M. Cantoria  
Commissioner

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Michael A. Pangelinan  
Commissioner