

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:) GPA Docket 21-08
)
The Application of the Guam Power)
Authority to Approve the Procurement of) **ORDER**
Merchant Services.)
_____)

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [“PUC”] upon the Petition of the Guam Power Authority [“GPA”] for approval of the Procurement of Merchant Services.¹
2. The Merchant Services which GPA seeks to procure would enable the acceptance and processing of credit and debit card payments for GPA, GWA, and the Guam Solid Waste Authority at their payment facilities and online. The merchant service provider will process Visa and MasterCard, debit and credit cards, and Discover Card. Request for Proposal No. GPA-RFP-21-___ for Merchant Services, Section 4, Solicitation and Technical Requirements (attached to the GPA Petition). A true and correct copy of Section 4 is attached to the ALJ Report as Exhibit “1”.

BACKGROUND

3. The current provider of Merchant Services to GPA and GWA is the Bank of Hawaii. The BOH 5-year contract will expire in May 2021.²

¹ GPA Petition for Approval of the Procurement of Merchant Services, GPA Docket 21-08, filed April 5, 2021.

² Telephone conference between GPA Counsel Graham Botha and PUC ALJ Fred Horecky on April 7, 2021.

4. GPA requests that PUC authorize it to proceed with the procurement of Merchant Services. The term of the proposed merchant service RFP being requested will be for a one (1) year period with options for four (4) additional one (1) year extensions.³
5. Attached to the ALJ Report as Exhibit "2" is the current PRICE SUMMARY for Merchant Services provided by the Bank of Hawaii.
6. The current volumes of annual transactions and annual sales for GPA, GWA, and GSWA are as follows⁴:

Service Locations	Annual Transactions	Annual Sales
GPA Offices	80,400	\$28,025,000
GPA Online Payments	258,900	\$88,055,000
GWA Office	52,400	\$7,583,000
GWA Online Payments	205,110	\$32,272,000
GSWA Office	0	0
GSWA Online Payments	86,782	\$3,807,542

7. In the GPA/GWA Resolutions No. 2021-06 and No. 15-FY2021 respectively, the Guam Consolidated Commission on Utilities authorized the issuance of Request for Proposal No. GPA-RFP-21-___ for Merchant Services for GPA and GWA.⁵

³ Guam Consolidated Commission on Utilities, GPA Resolution No. 2021-06/GWA Resolution No. 15-FY2021, adopted and approved on March 23, 2021, at p. 1.

⁴ See Exhibit "1" attached to the ALJ Report.

⁵ Guam Consolidated Commission on Utilities, GPA Resolution No. 2021-06/GWA Resolution No. 15-FY2021, adopted and approved on March 23, 2021.

8. On April 7, 2021, the Board of the Guam Solid Waste Authority ["GSWA"] approved GSWA Board Resolution No. 2021-002. Resolution No. 2021-002 authorizes GSWA Management to enter and issue the joint procurement for Merchant Services with the Guam Power Authority and the Guam Waterworks Authority.⁶
9. On April ___, 2021, during its April 2021 regular meeting, the Guam Consolidated Commission on Utilities amended GPA/GWA Resolutions No. 2021-06 and No. 15-FY2021 to approve the inclusion of GSWA in issuance of Request for Proposal No. GPA-RFP-21-___ for Merchant Services for GPA and GWA.⁷
10. The Administrative Law Judge has submitted his Report in this Docket dated April 16, 2021. The PUC adopts the conclusions and recommendations therein.⁸

DETERMINATIONS

11. GPA estimates that its annual costs for customer merchant services will be approximately \$1.3M; over a 5-year period, the cost for merchant services will exceed the contract review threshold of \$1.5M. The PUC must review the proposed Merchant Services RFP.⁹
12. There is a clear need for GPA, GWA, and GSWA to provide a broad range of merchant services to their customers. Particularly, during a time of pandemic, the

⁶ Guam Solid Waste Authority Board Resolution No. 2021-002, Authorization for Management to have joint procurement with the Guam Power Authority and the Guam Waterworks Authority's Procurement for Merchant Services, adopted and approved by the GSWA Board on April 7, 2021.

⁷ Phone Conference between GPA Legal Counsel Graham Botha and PUC ALJ Fred Horecky on April 13, 2021.

⁸ ALJ Report, GPA Docket 21-08, dated April 16, 2021.

⁹ Contract Review Protocol for Guam Power Authority, Administrative Docket, PAR.1(e), dated February 15, 2008.

ability to make credit card payments online should be widely available to the customers of Guam.

13. The number of customers paying online for utility bills in the last few years has increased substantially. It is therefore important that the utilities procure the merchant services which they seek in the proposed RFP.
14. In addition, the wide availability of such services to customers helps to ensure that the utilities are promptly paid for the services which they provide.
15. GPA has included GSWA within the procurement for Merchant Services. GSWA became aware of the reduced prices which GPA and GWA pay for Merchant Services and wishes to avail itself of the same discounted rates.¹⁰
16. CCU has approved the inclusion of GSWA in the RFP for Merchant Services, as reflected in the language of GPA's RFP.
17. GSWA will be responsible for selecting its own offeror for Merchant Services, for implementing its own credit card/debit card online and any in-office procedures, and for paying all fees and charges due for the Merchant Services.
18. The RFP approved by the CCU contains standard provisions for the procurement of services to the government.

¹⁰ Phone conversation between Kathrine B. Kakigi, Comptroller, Guam Solid Waste Authority, and Frederick J. Horecky, PUC Administrative Law Judge, on April 8, 2021.

19. GPA indicates that the Merchant Services rates charged under its Merchant Services Contract have been less expensive than those charged by other banks.¹¹
20. GPA should be afforded the opportunity to procure the required Merchant Services to obtain the best prices for rate payers.

ORDERING PROVISIONS

Upon consideration of the record herein, the Petition of GPA, the ALJ Report, and for good cause shown, on motion duly made, seconded, and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby **ORDERS** that:


1. GPA is authorized to issue its Procurement for Merchant Services, as set forth in its Petition and Request for Proposal No. GPA-RFP-21-____, for GPA, GWA, and GSWA.
2. GPA has demonstrated a clear need to provide a broad range of merchant services for the customers of the utilities. It is reasonable, prudent, and necessary for GPA to proceed with the Procurement for Merchant Services.
3. Once contracts for Merchant Services have been negotiated, GPA, GWA, and GSWA should submit such contracts to the PUC for final review and approval.


¹¹ Phone Conference between GPA Legal Counsel Graham Botha and PUC ALJ Fred Horecky on April 13, 2021.

4. 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 §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

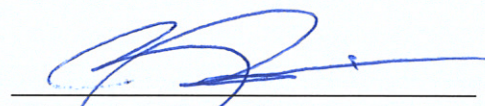
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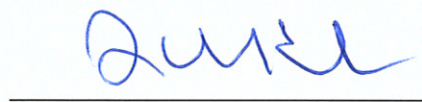
Dated this 29th day of April 2021.




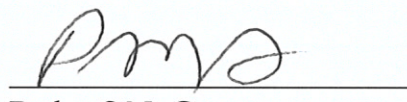
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