

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN RE: REQUEST BY THE GUAM ) GWA Docket 21-03  
WATERWORKS AUTHORITY FOR )  
APPROVAL OF THE BID AND )  
PROPOSED CONTRACT WITH GIANT ) **ORDER**  
CONSTRUCTION CORPORATION FOR )  
THE TAI ROAD/S13 AND CANADA- )  
TOTO LOOP/BLAS STREET )  
WATERLINE REPLACEMENT PROJECT )

**INTRODUCTION**

1. This matter comes before the Guam Public Utilities Commission [“PUC”] upon the Petition of the Guam Waterworks Authority [“GWA”] for approval of the Bid and Proposed Contract with Giant Construction Corporation for the Tai Road/S13 and Canada-Toto Loop/Blas Street Waterline Replacement Project.<sup>1</sup>
2. GWA indicates that there has been an increasing frequency of water outages in the Canada-Toto Loop area. To remedy this issue, GWA has put together this fast-track replacement CIP procurement.<sup>2</sup>
3. Due to the exigent nature of the work to be performed, GWA filed its petition and requested a hearing for this month’s PUC Meeting.<sup>3</sup>

**BACKGROUND**

4. On January 7, 2021, GWA advertised the Invitation for Bid IFB-02-ENG-2021 for the Tai Road/S13 and Canada-Toto Loop/Blas Street Waterline replacement.<sup>4</sup>

<sup>1</sup> GWA Petition for Approval of the Bid and Proposed Contract with Giant Construction Corporation for the Tai Road/S13 and Canada-Toto Loop/Blas Street Waterline Replacement Project, GWA Docket 21-03, filed April 14, 2021.

<sup>2</sup> Letter from GWA General Counsel Kelly Clark to PUC ALJ Fred Horecky, dated April 13, 2021.

<sup>3</sup> Id.



5. The IFB solicited bid proposals to provide construction service lateral upgrade and replacement of approximately 5,720 LF of existing 2-inch and 6-inch asbestos cement pipe (ACP), with new polyvinyl chloride (PVC) pipes ranging from 6-inch to 12-inch diameter and disconnection from an existing 6-inch ACP, and reconnect to an existing 12-inch PVC waterline along Canada-Toto Loop.<sup>5</sup>
  6. On February 26, 2021, GWA received a total of four (4) bid proposals. However, after a voluntary declination of the project by the lowest bidder (“MEGA United”), and the disqualification of the second lowest bidder (“Infra Tech International”), GWA determined that the bid proposal submitted by Giant Construction Corporation was the lowest responsive and responsible bid, meeting all the bid requirements set forth by GWA.<sup>6</sup>
  7. The total bid of Giant Construction is the amount of \$1,945,720.00, which includes the Base Bid, an additive Bid No. 1, and additive Bid No. 2.<sup>7</sup>
  8. GWA has added a ten percent (10%) contingency of \$194,572.00 to the Contract, bringing the total authorized funding amount to \$2,140,292.00. The pricing proposal of Giant Construction (Exhibit D to GWA’s Petition) is attached to the ALJ Report hereto as Exhibit “1”.
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9. The ALJ filed his Report herein dated April 19, 2021. The PUC adopts the conclusions and recommendations therein.

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<sup>4</sup> GWA Petition, Id., at p. 1.

<sup>5</sup> Id., at pgs. 1-2.

<sup>6</sup> Id., at p. 2.

<sup>7</sup> Id.



### **DETERMINATIONS**

10. As GWA states, the Contract with Giant Construction Corporation must have prior PUC approval because its total price exceeds \$1,000,000.00.<sup>8</sup>
11. GWA indicates that, to resolve the recurring waterline breaks along the Tai Road, S13 and Canada-Toto Loop/Blas Street, the existing meters will need to be disconnected from an existing 6-inch asbestos cement pipe (ACP) and then reconnected to the existing 12-inch PVC waterline. This project will also replace old and persistently leaking 2-inch and 6-inch ACP with new polyvinyl chloride (PVC) pipe ranging from 6-inches to 12-inches in diameter, including upgrade of service laterals of various lengths, along Tai Road, S13, and Blas Street.<sup>9</sup>
12. GWA has established that the increasing frequency of water outages in the Canada-Toto Loop area has caused a “serious issue” to the customers in that area. Expeditious action, in the form of the contract with Giant Construction Corporation, is necessary and prudent.
13. The PUC should approve GWA’s bid and Proposed Contract for the Waterline Replacement Project so that these serious issues can be addressed as soon as possible.

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<sup>8</sup> Contract Review Protocol for Guam Waterworks Authority, Docket 00-04, dated October 27, 2005 at par. 1(a).

<sup>9</sup> Id., at pgs. 2-3.



14. This project is consistent with GWA's waterline replacement program, which seeks to reduce the non-revenue water rate, as well as to improve the system where service delivery has been below standard.<sup>10</sup>

### **ORDERING PROVISIONS**

Upon consideration of the record herein, the Petition of GWA, 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. Invitation for Bid IFB-02-ENG-2021 for the Tai Road/S13 and Canada-Toto Loop/Blas Street Waterline Replacement and the Contract with Giant Construction Corporation for the Tai Road/S13 and Canada-Toto Loop/Blas Street Waterline Replacement Project are approved.
2. GWA is authorized to expend up to the amount of \$2,140,292.00 for the Contract with Giant Construction Corporation.
3. GWA should file the final Contract with PUC.
4. GWA 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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<sup>10</sup>Id., at p. 3.



Order  
Approval for Water Replacement Project  
With Giant Construction Corporation  
GWA Docket 21-03  
April 29, 2021


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Dated this 29th day of April 2021.



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Jeffrey C. Johnson  
Chairman



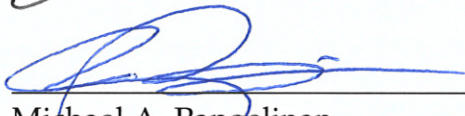
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Rowena E. Perez-Camacho  
Commissioner



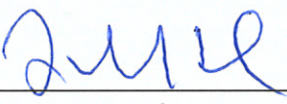
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Joseph M. McDonald  
Commissioner



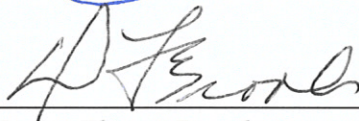
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Michael A. Pangelinan  
Commissioner



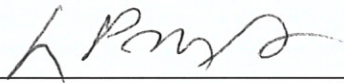
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Peter Montinola  
Commissioner



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Doris Flores Brooks  
Commissioner



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Pedro S.N. Guerrero  
Commissioner