

1 **THERESA G. ROJAS, ESQ.**
2 Legal Counsel
3 Guam Waterworks Authority
4 Gloria B. Nelson Public Service Building
5 688 Route 15, Suite 304
6 Mangilao, Guam 96913
7 Telephone No: (671) 300-6848
8 Email: tgrojas@guamwaterworks.org

9
10 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

11 IN THE MATTER OF:

12 **THE PETITION OF THE GUAM**
13 **WATERWORKS AUTHORITY TO**
14 **APPROVE CONTRACT CHANGE**
15 **ORDER NO. 2 WITH GIANT**
16 **CONSTRUCTION CORP. FOR THE**
17 **TAI ROAD/S-13 AND CANADA-TOTO**
18 **LOOP/BLAS STREET WATERLINE**
19 **REPLACEMENT PROJECT; GWA**
20 **PROJECT NO. M19-001-BND.**

21 **GWA DOCKET NO. 22-04**

22 **PETITION FOR PUC REVIEW TO**
23 **APPROVE CONTRACT CHANGE**
24 **ORDER NO. 2 WITH GIANT**
25 **CONSTRUCTION CORP. FOR THE TAI**
26 **ROAD/S-13 AND CANADA-TOTO**
27 **LOOP/BLAS STREET WATERLINE**
28 **REPLACEMENT PROJECT**

29 **COMES NOW**, the GUAM WATERWORKS AUTHORITY ("GWA"), by and through
30 its counsel of record, THERESA G. ROJAS, ESQ., and hereby files its Petition for PUC Review
31 to Approve Change Order No. 2 with Giant Construction Corp. for the Tai Road/S-13 and
32 Canada-Toto Loop/Blas Street waterline replacement projects.

33 **BACKGROUND**

34 On April 29, 2021, the Public Utilities Commission ("PUC") in GWA Docket 21-03
35 approved GWA's procurement to award IFB-02-ENG-2021 to Giant Construction Corp. for its
36 Waterline Replacement Project. IFB-02-ENG-2021 was issued to address the frequency of water
37 outages in the Canada-Toto Loop area and recurring waterline breaks along the Tai Road, S-13
38 and Canada-Toto Loop/Blas Streets. The contract's scope included the replacement of old and
39 leaking 2-inch and 6-inch ACPs with new PVC pipes ranging from 6 to 12-inch in diameter, with

upgrades to service laterals all along Tai Road, S13, and Blas Streets. The scope also identified meters to be disconnected from existing 6-inch asbestos cement pipes ("ACP") to be reconnected to existing 12-inch polyvinyl chloride ("PVC") waterlines. In its April 20, 2021, Order the PUC authorized GWA to expend to up \$2,140,292.00 with Giant Construction Corp. for the Waterline Replacement Project identified as GWA Project No. M19-001-BND. The \$2,140,292.00 amount approved funding of \$1,945,720.00 plus a 10% contingency of \$194,572.00 for the project.

To date, and since April 20, 2021, GWA has approved expenses of \$1,945,720.00 for the waterline meter project. A Change Order No. 1 added an additional \$16,318.00 in costs for required archeological research and designs services increasing the total authorized contract from \$1,945,752.00 to \$1,962,038.00. On October 26, 2021, upon a recommendation from GWA management, the CCU approved the execution of a change order to add the upgrade of existing small diameter galvanized service laterals currently connected to the old 6-inch ACP line and serving several homes along Taison Road, with a larger 6-inch main to improve service levels at a cost of \$558,135.00 through a Change Order No. 2.

REQUEST FOR APPROVAL

GWA now desires to increase the authorized contract amounts for the waterline meter project by \$558,135.00 to fund Change Order No. 2. The scope of work under Change Order No. 2 addresses a distinct line replacement location and calls for undersized galvanized steel branch waterlines, service connections, and other water appurtenances to be disconnected from the existing "breakage-prone" 6-inch ACP's and reconnected to 12-inch PVC watermains. Without Change Order No. 2, these breakage and pressure issues will remain and cannot be addressed under the prior and initial scope of construction.

1 GWA hereby petitions the PUC, pursuant to its Contract Review Protocol, to review and
2 approve the additional costs of \$558,135.00 to Giant Construction Corp, for Project No. M19-
3 001-BND, through Change Order No. 2 to fund additional work required to complete
4 improvements and service to the Tai Road/S13 and Canada/Toto Loop/ Blas Street waterlines.
5 Funding for the proposed Change Order No. 2 will utilize 2020 Bond funds. In support of this
6 Petition, the CCU has approved GWA Resolution No. 03-FY2022 and said resolution and its
7 supporting exhibits provide sufficient detail on the additional project scope, timelines for action,
8 and the additional costs. All are attached herein as Exhibit A and are incorporated by reference
9 herein as if fully set forth.
10

11 CONCLUSION

12
13 Based on the foregoing, GWA requests the PUC approve Change Order No. 2 with Giant
14 Construction Corp. for the Tai Road/S-13 and Canada-Toto Loop/Blas Street waterline
15 replacement projects in the additional amount of \$558,135.00, for a total contract amount of
16 \$2,520,173.00 as it is reasonable, prudent, and necessary.
17

18 **RESPECTFULLY SUBMITTED** this 18th day of November, 2021.
19

20
21 By: 

22 **THERESA G. ROJAS**
23 GWA General Counsel
24
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27
28



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagatna, Guam 96932 | (671)649-3002 | guamccu.org

GWA RESOLUTION NO. 03-FY2022

**RELATIVE TO CHANGE ORDER NO. 2 CONTRACT APPROVAL FOR THE
TAI ROAD/S-13 AND CANADA-TOTO LOOP/BLAS STREET WATERLINE
REPLACEMENT PROJECT;
GWA PROJECT NO. M19-001-BND**

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities (“CCU”) has plenary authority over financial, contractual and policy matters relative to the Guam Waterworks Authority (“GWA”); and

WHEREAS, the Guam Waterworks Authority (“GWA”) is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, GWA intends to continue the waterline replacement program as part of GWA’s efforts to reduce non-revenue water and make improvements to the system where service delivery has been below standard; and

WHEREAS, on April 27, 2021, the CCU approved via Resolution 19-FY2021 for GWA management to enter into contract with Giant Construction Corporation to construct the Tai Road/S-13 and Canada-Toto Loop/Blas Street Waterline Replacement project to upgrade and replace existing old and leaking waterlines of various diameters, lengths, and locations to reduce water loss in the water distribution system; and

WHEREAS, the above noted resolution approved the funding total of One Million Nine Hundred Forty-Five Thousand Seven Hundred Twenty Dollars (\$1,945,720.00), along with a ten percent (10%) contingency of One Hundred Ninety-Four Thousand Five Hundred Seventy-Two Dollars (\$194,572.00) to bring the total authorized funding amount to Two Million One Hundred Forty Thousand Two Hundred Ninety-Two Dollars (\$2,140,292.00); and

1 **WHEREAS**, one of the line replacement locations included as part of Giant
2 Construction's scope of work is the arterial Canada-Toto Loop Road which calls for branch
3 waterlines, service connections and other water appurtenances to be disconnected from the
4 existing and breakage-prone 6-inch diameter asbestos cement pipe (ACP) and reconnected to
5 an existing 12-inch diameter polyvinyl chloride (PVC) watermain; and
6

7 **WHEREAS**, Taison Road, a branch road connected to the Canada-Toto Loop having
8 existing revenue meters all located at the intersection of Canada-Toto/Taison Road connected
9 to the existing 6-inch ACP line and leading to long runs of 1 to 1 ¼-inch galvanized pipe to the
10 houses further down the road; and
11

12 **WHEREAS**, this configuration of service lateral connections for residents along
13 Taison Road results in water flow and pressure issues which will not be improved by the
14 original scope of construction for the waterline replacement at Canada-Toto Loop; and
15

16 **WHEREAS**, GWA management seeks to change order the existing contract scope with
17 Giant Construction Corporation to replace the existing 1 to 1 ¼-inch galvanized pipe along
18 Taison Road with new 6-inch diameter PVC pipes, install fire hydrants for fire protection, and
19 relocate existing service water meters from the entrance of Taison Road to the front of each
20 house; and
21

22 **WHEREAS**, Dueñas, Camacho & Associates, Inc. (DCA), the Construction
23 Management (CM) consultant firm overseeing the construction of the project negotiated with
24 Giant Construction Corporation to replace the existing 1 to 1 ¼-inch galvanized waterline to 6-
25 inch PVC pipe (See Exhibit A) along Taison Road; and
26

27 **WHEREAS**, GWA Management seeks CCU approval of the Change Order No. 2 with
28 Giant Construction Corporation to replace the existing 1 to 1 ¼-inch diameter waterline along
29 Taison Road with 6-inch diameter PVC pipes complete in place at a cost of Five Hundred
30 Fifty-Eight Thousand One Hundred Thirty-Five Dollars (\$558,135.00); and
31
32

1 **WHEREAS**, GWA Management previously approved the Change Order No. 1 for
2 Giant Construction Corporation to obtain the services of an archaeological firm to prepare the
3 archaeological research design for Tai Road and Blas Street/Canada-Toto Loop intersection as
4 required by the Department of Parks and Recreation – State Historic Preservation Office
5 ((DPR-SHPO) at a cost of Sixteen Thousand Three Hundred Eighteen Dollars (\$16,318.00)
6 which brought the total construction contract value to One Million Nine Hundred Sixty Two
7 Thousand Thirty Eight Dollars (\$1,962,038.00) (See Exhibit B); and

8
9 **WHEREAS**, the adjusted total authorized contract value of One Million Nine Hundred
10 Sixty-Two Thousand Thirty-Eight Dollars (\$1,962,038.00) plus the proposed Change Order
11 No. 2 amount of Five Hundred Fifty-Eight Thousand One Hundred Thirty-Five Dollars
12 (\$558,135.00) will bring the total authorized contract amount to Two Million Five Hundred
13 Twenty Thousand One Hundred Seventy-Three Dollars (\$2,520,173.00); and

14
15 **WHEREAS**, funding for the proposed Change Order No. 2 will utilize 2020 Bond
16 under the MP-PW-Pipe-12 Rehabilitation and Replacement Program funds; and

17
18 **WHEREAS**, GWA Management further seeks CCU approval to petition the Public
19 Utilities Commission's approval of the Change Order No. 2 as may be required under the
20 Contract Review Protocol requirements for GWA projects.

21 **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities
22 does hereby approve and authorize the following:
23

- 24
- 25 1. The recitals set forth above hereby constitute the findings of the CCU.
 - 26 2. The CCU finds that the terms of the conditions set by GWA relative to
27 commencement of subsequent work activities are fair and reasonable and
28 serve as a measure of Quality Assurance/Quality Control (QA/QC).
 - 29 3. The CCU hereby authorizes the management of GWA to accept the Change
30 Order proposal from "Giant Construction Corp." attached hereto as Exhibit
31 A, and which is incorporated into this Resolution in its entirety.
32

- 1 4. The CCU hereby further authorizes GWA management to execute the
2 Change Order No. 2 with "Giant Construction Corp.", in the amount of Five
3 Hundred Fifty-Eight Thousand One Hundred Thirty-Five Dollars
4 (\$558,135.00).
- 5 5. The CCU hereby further approves the increase contract value of One
6 Million Nine Hundred Sixty-Two Thousand Thirty-Eight Dollars
7 (\$1,962,038.00) plus the Change Order No. 2 amount of Five Hundred
8 Fifty-Eight Thousand One Hundred Thirty-Five Dollars (\$558,135.00) to
9 bring the total authorized contract amount to Two Million Five Hundred
10 Twenty Thousand One Hundred Seventy-Three Dollars (\$2,520,173.00);
- 11 6. The CCU hereby approves the funding for the Change Order No. 2 will be
12 from the 2020 Bond proceeds under the MP-PW-Pipe-12 "Rehabilitation
13 and Replacement Program".
- 14 7. The CCU hereby further approves GWA management to petition the PUC's
15 approval of the Change Order No. 2 as may be required under the Contract
16 Review Protocol.

17
18 **RESOLVED**, that the Chairman certified and the Board Secretary attests to the
19 adoption of this Resolution.

20
21 **DULY AND REGULARLY ADOPTED**, this 26th day of October 2021.

22
23 Certified by:

Attested by:

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26 **JOSEPH T. DUENAS**
27 Chairperson

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30 **MICHAEL T. LIMTIACO**
31 Secretary

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The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular meeting by the members of the Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

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August 16, 2021

Miguel C. Bordallo, P.E.

General Manager. Guam Waterworks Authority
 Gloria B. Nelson Public Service Building
 688 Route 15, Mangilao, Guam, 96913

Attn: Gloria Bensan, Project Manager, Guam Waterworks Authority

Via: Email: gpbensan@guamwaterworks.org

Ref: Tai Road/S-13 and Canada-Toto Loop/Blas Street Waterline Replacement
 Project No. M19-001-BND

Subject: Change Order Recommendation for New 6-inches Waterline at Taison Road

Sir / Ma'am,

This letter is in referenced to the review and analysis performed by Duenas Camacho and Associates, Inc. to the latest cost proposal submitted by GIANT Construction Corporation dated August 13, 2021. The proposal is in response to Guam Waterworks Authority's additional requirement under Project No M19-001-BND to install new 6-inches waterline along Taison Road (see Attachment) and replace the existing 2-inches waterline. Comparison and analysis was done in referenced to Additive Bid #01 wherein the same scope of work at S-13 Road was submitted and being part of the existing contract. Pricing on a couple of line items such as mobilization and installation of new 6-inches PVC line that shows significant unit cost increase was discussed with the Contractor. Reasonable explanation that clarifies the Resident Project Representatives' (RPR) concern leads to the acceptance of the said change proposal which also includes the cost to cover the design aspect.

Recommendations:

DCA, Inc. recommends that Change Order #02 be awarded to the Contractor with the total lump sum amount of ***Five Hundred Fifty Eight Thousand One Hundred Thirty Five and 00/100 Dollars (\$558,135.00)*** that includes Tax, Bonds & Insurance, and Contractor's Fees. The total project cost is summarized below:

Original Contract Amount	\$1,945,720.00
Change Order #01 (Additive – Archeological Consultancy Service)	\$16,318.00
Current Contract Amount	\$1,962,038.00
Change Order #02 (Additive – Taison Road Waterline)	\$558,135.00
<i>New Contract Amount (up to CO#02)</i>	<i>\$2,520,173.00</i>

August 24, 2021

Time Extension Request:

Contractor did not include any time extension request related to this additive Change Order. Hence, project duration to substantial completion remains at 365 Calendar Days from issued date of notice to proceed. Should the Contractor later request for such time extension with supporting justification, evaluation will be done and separate recommendation will be submitted to the Owner for further review and acceptance.

Regards,



Kenneth M. Rekdahl, PE
Dueñas, Camacho and Associates
Resident Project Representative

Cc:

Rodolfo Gasal, DCA
Editha B. Thompson, DCA



GIANT CONSTRUCTION CORP.

P.O. Box 9578 Tamuning, Guam 96931
Tel.: (671) 649-6472 • Fax.: (671) 646-3693
E-mail: giantconst@gmail.com

Aug. 13, 2021

Guam Waterworks Authority

Mr. Miguel Bordallio

General manager

P.O. Box 3010

Hagatna, Guam 96913

Attention : Mr. Mauryn McDonald P.E. / Acting Chief Engineer

Project : Tai Road/S-13 and Canada-Toto Loop/Blas Street Water line Replacement

GWA Project No. M19-001-BND

Subject : Proposal of Taison Road 6 inch PVC water line and service lateral and connection work

GUAM WATERWORKS AUTHORITY
TAI ROAD/S-13 AND CANADA/TOTO LOOP/BLAS STREET WATERLINE
REPLACEMENT
GWA Project No. M19-001-BND

UNIT PRICE of Additional work in Taison Road

Additional Work Order Taison Road breakdown

Work consists of replacing an existing 12 inch water line to a new 6 inch PVC water line along the Taison Road and reconnecting all service connections. New 6 inch water line connect to existing 12" main line on the Canada-Toto Loops.

Item No	Description	Unit	Unit Price	Qty	Bid Amount
1	Mobilization and Demobilization (For additional costs associated with bonding, insurance and permits for this additive bid)	Lump Sum	\$ 78,000.00	1	\$ 78,000.00
2	Erosion Control Measures (Includes silt fence and all other required temporary best management practices necessary to control sediment runoff)	Lump Sum	\$ 8,400.00	1	\$ 8,400.00
3	6" PVC Pressure Pipe Class 235 psi (DR 18) (Includes excavation, bedding, pipe, backfill and any necessary asphalt or grass replacement)	Lin. Ft	\$ 175.00	1,052	\$ 184,100.00
4	1" Service Line	Lin. Ft	\$ 105.00	325	\$ 34,125.00
5	Reconnection of 3/4" Single Meter installation on 6-inch Water Main (Includes Service Saddle and all Fittings necessary to make the	EA	\$ 2,900.00	24	\$ 69,600.00
6	Fire Hydrant Assembly (Includes 5 LF of 6 inch PVC lateral service line and all pipe, bends and thrust blocks necessary to complete the installation)	EA	\$ 7,000.00	2	\$ 14,000.00
7	2" Permanent Blowoff Assembly in Valut (Complete in Place)	Lump Sum	\$ 5,200.00	1	\$ 5,200.00
8	Combination Air Release Valve in valve box	Lump Sum	\$ 5,500.00	1	\$ 5,500.00

EXHIBIT A-08

9	Pressure Testing and Disinfection of New Waterline (Taison Road)	Lump Sum	\$ 12,500.00	1	\$ 12,500.00
10	Fittings and thrust block	EA	\$ 8,500.00	0.7	\$ 5,950.00
11	Traffic Control including traffic control work, flagman, all traffic control devices, placement and removal of devices and detours, cleanup, restoration, and incidentals.	Lump Sum	\$ 20,000.00	1	\$ 20,000.00
12	12" x 6" Connection Tapping work (Wet Tapping)	LS	\$ 13,500.00	1	\$ 13,500.00
13	2" HDPE pipe	LF	\$ 98.00	670	\$ 65,660.00
14	Disconnect the existing water line from existing 12" water line on Canada-Toto Loop road	LS	\$ 4,000.00	1	\$ 4,000.00
15	Existing service water meter relocate near house	EA	\$ 1,400.00	9	\$ 12,600.00
16	As-Builts drawings	Lump Sum	\$ 5,000.00	1	\$ 5,000.00
17	Design work include survey work	Lump Sum	\$ 20,000.00	1	\$ 20,000.00
Additional work Proposal of Taison Road (TOTAL Item 1 through 17, inclusive)					\$ 558,135.00
(Please write out total bid amount in words below)					
Five Hundred Fifty Eight Thousand One Hundred Thirty Five Only					


 Chung, In Chul
 Giant Construction Corp.

on Road

Image © 2021 Maxar Technologies
© 2021 Google

EXHIBIT A-10

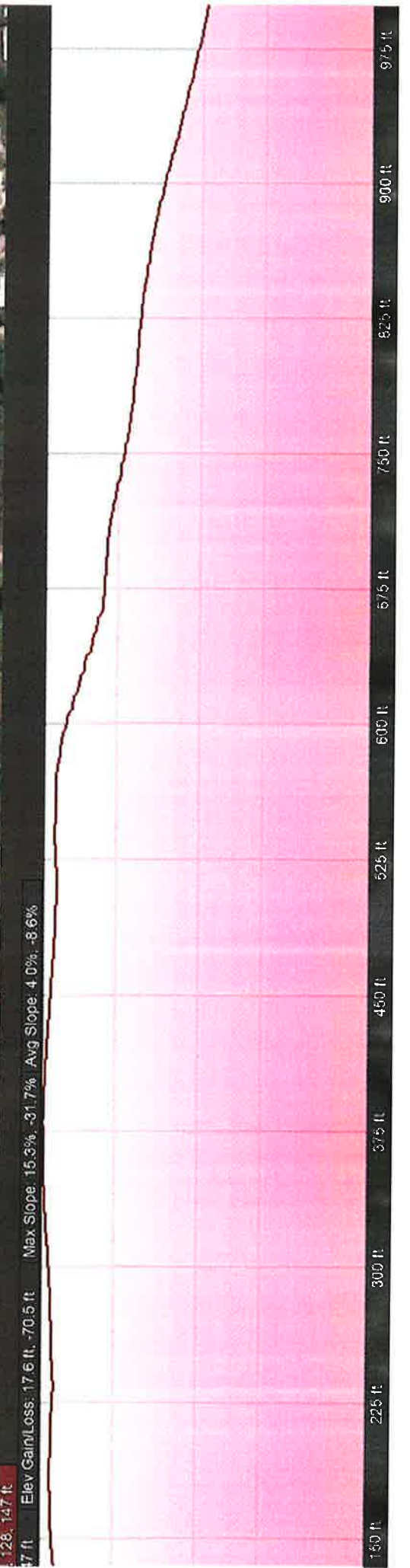


EXHIBIT A-11



GUAM WATERWORKS AUTHORITY

2nd Floor, Gloria B. Nelson Public Service Bldg., 688 Route 15, Mangilao, Guam 95913

CHANGE ORDER NO. 01

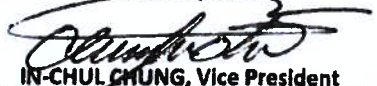
Project No. & Title: M19-001-BND TAI ROAD/S-13 AND CANADA-TOTO LOOP/BLAS STREET WATERLINE REPLACEMENT

Contractor: Giant Construction Corporation **Original Contract Approved:** May 12, 2021

TO: Giant Construction Corporation

You are directed to make changes noted below in the subject contract. The changes are accepted by:

Giant Construction Corporation:


IN-CHUL CHUNG, Vice President
 (Name and Title)


KENNETH M. NEKDAHL, P.E.
 Duenas, Camacho & Assoc. - CM

Fund Source: Bond 2020 MP-PW-Pipe-12

Contract No.: 3008 OS

Vendor No.: 22557

Amount: \$16,318.00

Prepared by:

Gloria P Bensen Digitally signed by Gloria P Bensen
Date: 2021.08.16 08:49:48 +10'00'

GLORIA P. BENSON

Project Manager **Date**

Recommend Approval:


Digitally signed by Barbara C. Cruz, P.E.
Date: 2021.08.16 14:12:41 +10'00'

BARBARA C. CRUZ, P.E.

Acting Chief Engineer **Date**

Nature of Changes: To obtain services of Archaeological consultant to prepare background research for Blas St. and Tai Road, preparation of draft and final monitoring plans, analysis of recovered artifacts, preparation of draft and final reports, and curation of recovered archaeological materials as required by the Department of Parks and Recreation (DPR).

Enclosures: Copy of original contract, archaeological fee proposal and scope of work.

The changes result in the following adjustment of contract price and time:

Contract amount prior to this Change Order	<u>\$1,945,720.00</u>
Net (increase)(decrease) from this Change Order (subject to approved terms and conditions)	<u>\$16,318.00</u>
Current contract price including this Change Order	<u>\$1,962,038.00</u>

Contract time prior to this Change Order 365 calendar days.

Net (increase)(decrease) resulting from this Change Order 0 calendar days from original completion.

Current contract time including this Change Order 365 days.

Contract time extension will be evaluated and adjusted after DPR release of background research report.

CERTIFIED FUNDS AVAILABLE:

Taling M Taitano
Digitally signed by
Taling M Taitano
Date: 2021.09.20
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 **TALING M. TAITANO, CPA, CGFM**
 Certifying Officer

Date:

APPROVED AS TO FORM:


KELLY O. CLARK
 General Counsel

Date: 9/20/2021

APPROVED:


MIGUEL C. BORDA, P.E.
 General Manager

Date: 9.20.2021