

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

PETITION OF GUAM WATERWORKS )  
AUTHORITY TO PROCURE AN )  
INDEFINITE DELIVERY/INDEFINITE )  
QUANTITY DESIGN-BUILD CONTRACT) )  
AND AN INDEFINITE DELIVERY/ )  
INDEFINITE QUANTITY )  
PROFESSIONAL PROJECT/ )  
CONSTRUCTION MANAGEMENT )  
CONTRACT FOR GWA'S ISLANDWIDE )  
SEWER COLLECTION/TRANSMISSION )  
SYSTEM REPAIR, REHABILITATION, )  
AND REPLACEMENT PROJECT )

**GWA DOCKET 22-05**

**ALJ REPORT**



**INTRODUCTION**

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the January 6, 2022 Petition to Procure an Indefinite Delivery/Indefinite Quantity Design-Build Contract and an Indefinite Delivery/Indefinite Quantity Professional Project/Construction Management Contract for GWA’s Islandwide Sewer Collection/Transmission System Repair, Rehabilitation, and Replacement Project (hereinafter referred to as the “Petition”) filed by the Guam Waterworks Authority (“GWA”). GWA seeks PUC approval of an invitation for bid (“IFB”) for design-build services, and a request for proposal (“RFP”) for project and construction management services, which will support GWA’s Sewer Collection/Transmission System Repair, Rehabilitation, and Replacement Project.

**BACKGROUND**

Back in 2018, GWA issued its Water Resources Master Plan Update. Therein, GWA consultants identified a number of sites in need of repair, which include: the

Barrigada Pump Station Pipe Rehabilitation/Replacement; Route 1 Piti Pipe Rehabilitation/Replacement; Finile Drive Rehabilitation (Agat); and Route 1 Asan Force Main Rehabilitation/Replacement. GWA now intends on completing these projects, along with other sites island-wide, based on “priority and funding.”<sup>1</sup> The subject IFB and RFP seek contractors to complete these projects.

## **DISCUSSION**

### **A. Contract Review Protocol**

Pursuant to 12 G.C.A. §12105, GWA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC’s express approval. Additionally, pursuant to GWA’s Contract Review Protocol issued in Administrative Docket 00-04, “[a]ll professional service procurements in excess of \$1,000,000” require “prior PUC approval under 12 G.C.A. §12004, which shall be obtained before the procurement process is begun . . . .”<sup>2</sup>

### **B. GWA’s Petition to Procure Services Related to Sewer System Repair**

In the Petition, GWA requests that the PUC approve the procurement of contracts related to its Sewer Collection/Transmission System Repair, Rehabilitation, and Replacement Project. Specifically, GWA intends on issuing an IFB for design build services, and an RFP for project and construction management services that will support GWA’s Sewer Collection/Transmission System Repair, Rehabilitation, and Replacement Project.<sup>3</sup>

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<sup>1</sup> Petition, p. 2.

<sup>2</sup> GWA’s Contract Review Protocol (“GWA CRP”), Administrative Docket 00-04, p. 1 (Oct. 27, 2005).

<sup>3</sup> Petition, p. 2.



GWA submits that these contracts are necessary “[i]n anticipation of a consent decree with the United States Environmental Protection Agency (U.S. E.P.A.), and for the protection of human and environmental health.”<sup>4</sup> GWA further submits that its wastewater system, which consists of gravity mains, manholes, laterals, and force mains, is in need of repair and rehabilitation; and in some instances, replacement.<sup>5</sup> Moreover, according to GWA, this system is in “occasional need” of design-build services “to address emergency repairs that exceed in-house resources.”<sup>6</sup>

In this instance, the project sites will be islandwide, which may include the Route 10 Barrigada gravity sewer, Route 1 Piti gravity sewer, Finile Drive Agat gravity sewer, and Route 1 Asan force main.<sup>7</sup> GWA highlights that “[t]hese services are needed to augment GWA’s resources and will assist to ensure continuity of sewer service to customers,” while “minimizing adverse impacts to the island.”<sup>8</sup>

**C. Scope of Services**

**1. IFB for Indefinite Delivery/Indefinite Quantity (IDIQ) Design-Build Services for Islandwide Sewer Collection/Transmission System Repair, Rehabilitation, and Replacement**

Based on the draft IFB submitted by GWA, it intends on conducting a multi-step bid for Indefinite Delivery/Indefinite Quantity (IDIQ). Specifically, GWA seeks contractors to provide complete design and construction services necessary to design,

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<sup>4</sup> Petition, p. 2.

<sup>5</sup> Petition, Exhibit A-01 (CCU Board Resolution, Jan. 26, 2022).

<sup>6</sup> Petition, Exhibit A-01.

<sup>7</sup> Petition, Exhibit A-05.

<sup>8</sup> Petition, p. 3.

obtain certain permits, and repair, rehabilitate, or replace GWA's sewer collection and transmission system in various locations island-wide.<sup>9</sup>

According to the draft IFB, the bid items include: mobilization; sewer cleaning; CCTV inspections and assessments; bypass pumps and sewer flow control; point repairs; cured-in-place pipe installation; new pipe installation; new manhole installation; and manhole removal, among a host of other tasks.<sup>10</sup>

2. **RFP for Indefinite Delivery/Indefinite Quantity (IDIQ) for Professional Project and Construction Management Services for Islandwide Sewer Collection/Transmission System Repair, Rehabilitation, and Replacement**

Based on the draft RFP submitted by GWA, it intends on soliciting proposals from qualified firms to provide Indefinite Delivery/Indefinite Quantity (IDIQ) Professional Project/Construction Management services to support the IDIQ Design-Build for the Islandwide Sewer Collection/Transmission System Repair, Rehabilitation, and Replacement projects. Specifically, GWA's procurement will seek qualified firms that have experience in the management of construction activities related to wastewater projects, survey work, and preparation of required reports.<sup>11</sup>

With respect to project management services, such work includes: participation in project management design meetings to discuss the overall plan, requirements, constraints, expectations, outcomes, design features, and other project specific elements;

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<sup>9</sup> Draft IFB, Bid Submission Requirements, p. 2.

<sup>10</sup> Draft IFB, Price Proposal Form, pp. 4-10.

<sup>11</sup> Draft RFP, p. 14.



site visits will be required to completely comprehend the scope of work, the design needs, and the data collection.<sup>12</sup>

Construction management services include pre-construction work, such as: reviewing the construction contractor's schedule for sequencing, meeting the performance deadline; reviewing contract material and design submittals for conformance with the specifications; reviewing construction contractor's safety and traffic control plans, Storm Water Pollution Prevention Plan, and all permits required for construction.<sup>13</sup>

With respect to activities during construction, the consultant will: monitor daily construction activities in compliance with the technical provisions of the contract and drawings, and applicable codes and regulations; perform daily site inspections during the course of the project to monitor construction related activities; maintain a log book throughout the construction period containing daily entries of notable activities consistent with project schedule; review progress payment requests; issue directives dealing with quality of workmanship, non-compliance, and performance, just to name a few.

Such consultant will also: schedule and coordinate all inspection, surveys and material testing; analyze and participate in negotiating claims and contract change requests; recommend action deemed appropriate; provide weekly construction reports; conduct monthly project meetings with the construction contractor and GWA to discuss work progress; and verify workmanship.<sup>14</sup>

With respect to activities post construction, the consultant is expected to participate in a pre-final inspection and prepare a list of incomplete work to be completed

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<sup>12</sup> Draft RFP, pp. 15-16.

<sup>13</sup> Draft RFP, pp. 16-17.

<sup>14</sup> Draft RFP, pp. 17-18.

before substantial completion; participate in a final inspection and prepare a punch list of deficiencies to be completed before final acceptance and final payment; ensure debris removal and clean-up; provide to GWA all records, documents, submittals, log books, files, test results; review contract required warranties, O&M manuals, and verify full compliance by the contractor; and provide a final review of construction contractor's as-built drawings and transmit the as-built drawings to GWA.<sup>15</sup>

**D. Projected Funding Source and Estimated Cost**

According to GWA, it estimates that the total cost of the design-build work for the projects identified in GWA's 2018 Water Resources Master Plan Update, alone, is about \$13 million.<sup>16</sup> In addition, GWA anticipates that the cost for the project and construction management work will likely exceed \$1 million based on GWA's current contract for the Asan-Adelup-Hagatna Route 1 Sewerline Repair project.<sup>17</sup> GWA submits that the projected source of funding for this contract will be through bond proceeds, grants, and System Development Charge funds.<sup>18</sup>

**CONCLUSION**

Based on the documentation provided by GWA, the ALJ finds that GWA's sewer system, which consists of gravity mains, manholes, laterals, and force mains, is in need of repair, and rehabilitation; and some instances, replacement.<sup>19</sup> As indicated by GWA, its

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<sup>15</sup> Draft RFP, p. 18.

<sup>16</sup> Petition, Exhibit A-03.

<sup>17</sup> Petition, Exhibit A-03.

<sup>18</sup> Petition, Exhibit A-06.

<sup>19</sup> Petition, Exhibit A-01.



system is in “occasional need” of design-build services “to address emergency repairs that exceed in-house resources.”<sup>20</sup>

Indeed, according to GWA’s 2018 Water Resources Master Plan Update, the Barrigada Pump Station’s “original pipeline is blistering and separating from the pipe,” and will need to be replaced.<sup>21</sup> In addition, regarding the Route 1 Piti Pipe, “[t]he original liner . . . is in poor condition.”<sup>22</sup> “The crowns of the pipes are deteriorated and . . . that jetting the pipe for routine maintenance could cause a failure.”<sup>23</sup>

Further, regarding Finile Drive (Agat), which is comprised of approximately 1,540 feet of graving piping, a field investigation has confirmed that the piping is “in very poor condition and requires rehabilitation or replacement.”<sup>24</sup> Moreover, regarding the Route 1 Asan Force Main, this force main is “exposed” due to “coastline erosion” and requires more permanent repairs.<sup>25</sup>

GWA has further indicated these contracts are necessary “[i]n anticipation of a consent decree with the U.S. E.P.A., and for the protection of human and environmental health”<sup>26</sup>; and that “[t]hese services are needed to augment GWA’s resources and will assist to ensure continuity of sewer service to customers,” while “minimizing adverse impacts to the island.”<sup>27</sup>

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<sup>20</sup> Petition, Exhibit A-01.

<sup>21</sup> Petition, Exhibit A-08 (2018 Water Resources Master Plan Update).

<sup>22</sup> Petition, Exhibit A-09 (2018 Water Resources Master Plan Update).

<sup>23</sup> Petition, Exhibit A-09 (2018 Water Resources Master Plan Update).

<sup>24</sup> Petition, Exhibit A-10 (2018 Water Resources Master Plan Update).

<sup>25</sup> Petition, Exhibit A-11 (2018 Water Resources Master Plan Update).

<sup>26</sup> Petition, p. 2.

<sup>27</sup> Petition, p. 3.

The ALJ, therefore, finds the subject procurement of these contracts reasonable, given that the improvement and repair of GWA's sewer collection and transmission system is necessary for the protection of human and environmental health, and in order to retain access to service providers who can perform emergency repairs.

**RECOMMENDATION**

Based on the foregoing, the ALJ recommends that the PUC approve GWA's Petition. Accordingly, GWA should be authorized to issue an IFB for design build services, and a RFP for project and construction management services, which will support GWA's Sewer Collection/Transmission System Repair, Rehabilitation, and Replacement Project. A proposed Order is submitted herewith for the Commissioners' consideration.

Dated this 24<sup>th</sup> day of January, 2022.



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**JOEPHET R. ALCANTARA**  
Administrative Law Judge

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