

BEFORE THE PUBLIC UTILITIES COMMISSION



**IN RE: PETITION FOR APPROVAL)
OF THE AWARD TO AIC)
INTERNATIONAL, INC. FOR)
THE CONSTRUCTION OF)
AGAT MARINA DOCK B)
BY PORT AUTHORITY)
OF GUAM)**

PAG DOCKET 22-04

ORDER

INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the June 8, 2022 Petition for review and approval of the AIC International, Inc. (“AIC”) contract related to the Agat Marina Dock B project (the “Petition”), filed by the Jose D. Leon Guerrero Commercial Port, Port Authority of Guam (“PAG” or the “Port”). PAG seeks PUC review and approval of the design and build contract with AIC.

On June 14, 2022, the Administrative Law Judge of the PUC (the “ALJ”) assigned to this matter filed an ALJ Report that included his findings and recommendations based on the administrative record before the PUC. The ALJ found the following.

DETERMINATIONS

The Agat Small Boat Marina (the “Agat Marina”) is comprised of four docks (Docks A through D), which provides berths for commercial and recreational boats, and live-aboard sailboats.¹ According to PAG, in 2013, the Agat Marina suffered extensive damage from Tropical Storm Wipha; and while Docks C and D, along with the Floating Dock, were repaired,

¹ “Determination of Need”, Construction of the Agat Marina’s Dock B, p. 1 (Feb. 24, 2022).

no repairs were made to Dock B due to a lack of funding.² However, according to PAG, Guam's Department of Agriculture assisted PAG in securing federal funding for the project.³

On March 18, 2022, PAG issued an Invitation for Bid ("IFB") to solicit construction work for the Agat Marina Dock B project.⁴ Two firms submitted bids in response to the IFB, which were evaluated by PAG's procurement personnel.⁵ PAG's procurement personnel thereafter determined AIC to be the lowest⁶ responsive and responsible bidder.⁷ On June 7, 2022, PAG issued a Notice of Intent to Award to AIC, which indicated that the award was subject to the approval of PAG's Board of Directors and the PUC.⁸

1. PAG's Contract Review Protocol

Pursuant to 12 G.C.A. §12105, PAG may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC's express approval. Accordingly, pursuant to PAG's current Contract Review Protocol, "[a]ll professional services contracts in excess of \$1,000,000" and "[a]ll externally funded loan obligations and other financial obligations, such as lines of credit, bonds, etc., in excess of \$1,000,000," "shall require prior PUC approval" Contract Review Protocol, PAG Docket 09-01, p. 1 (June 20, 2011).

² "Determination of Need", Construction of the Agat Marina's Dock B, p. 1.

³ "Determination of Need", Construction of the Agat Marina's Dock B, p. 1.

⁴ Petition, p. 1 (June 8, 2022).

⁵ Petition, p. 1.

⁶ The second offeror submitted a bid that was about \$1,000,000.00 more than AIC's bid.

⁷ Petition, p. 1.

⁸ Petition, p. 1.

2. Scope of Work

The scope of work requires AIC to obtain the services of an A/E engineering consultant to develop plans, provide load computations and specifications with respect to the design necessary for the fabrication and installation of a new “Dock B” facility, which includes main gangways, finger slips, gussets, stainless steel connectors, marine grade aluminum frames, floatation units, steel pile rollers, mooring cleats, and utilities, among others.⁹ The designs will include electrical designs for feeder circuits, shipboard cables, circuit breakers, watertight fittings/connectors, power pedestals and other electrical appurtenances; water lines, PVC conduits, control valves, connectors, fittings, clamps, hose bibs, steel brackets and other water appurtenances.¹⁰

The scope of work further provides that during the construction phase, AIC will provide all labor, materials, tools, and equipment necessary for the “Dock B” facility, which includes the fabrication of a main walkway, finger slips, as well as work related to electrical, plumbing, carpentry, fabrication, and installation.¹¹ AIC is required to assemble the new fabricated main walkway dock and finger slips on dry land, and when finished must lower the fabricated dock system to the water.¹²

AIC will also need to replace new circuit breakers, install new power pedestals, shipboard cables, cable clamps, stainless junction boxes, water proof cable fittings and other electrical accessories; and will further need to install a new flexible water line, as well as install

⁹ IFB, pp. 85-86 (Mar. 18, 2022).

¹⁰ IFB, p. 86.

¹¹ IFB, p. 87.

¹² IFB, p. 87.

one (1) unit power pedestal. AIC must also replace all corroded anchors or provide new holes for anchors on the concrete pad landing steel plate.¹³

3. Contract Term and Cost

According to PAG, the duration of the project is 243 days, or about eight (8) months from the issuance of the Notice to Proceed, beginning with the design and permitting process, and ending with the project construction.¹⁴ In addition, according to AIC's Bid, the total cost for the project is \$1,494,750.00, which is comprised of the following: \$145,821.00 for design work; \$66,110.00 for permit fees; and \$1,282,819.00 for construction costs.¹⁵

PAG has submitted that the "project is funded with Federal Funds and Port Local Funds . . ."¹⁶ Based on PAG's procurement record, the project will be funded by a \$500,000.00 federal grant awarded by the U.S. Fish & Wildlife Service; and the remainder of the cost of the project, specifically \$994,750.00, will be internally funded by PAG.

4. AIC

Based on its bid, AIC is certainly experienced with construction design-build projects. For instance, AIC was involved in designing and constructing a Tactical Missile Maintenance Facility located in Anderson Air Force Base, Guam; and which involved the construction of new offices, three high rise bays, and installation of three 10-ton cranes, high lightning protections systems, and large fire protection system, just to name a few. AIC was also involved with another design-build contract to restore Apra Harbor's wastewater treatment plant.

¹³ IFB, p. 88.

¹⁴ Petition, p. 1; IFB, p. 85.

¹⁵ AIC Bid ("Bid Schedule"), p. 43.

¹⁶ Petition, p. 1.

AIC's other design-build contracts include the repair of the heavy weather mooring at Alpha Wharf in Naval Base, Guam; and which involved the demolition of asphalt paving and reinforced concrete foundations and the installation of new bollards, deadman, and steel piles. Significantly, AIC was also involved in the improvement projects for the Agat Marina Docks C and D, which involved the dismantling of the existing docks and the assembly of new marine grade aluminum and stainless settle composite decking, installation of new marine cables, plumbing and painting.

RECOMMENDATION AND CONCLUSION

Based on the documents provided by PAG in this docket, and for the reasons set forth herein, the ALJ recommended that the PUC approve the proposed contract with AIC, at a cost of \$1,494,750.00. According to PAG, \$500,000.00 for the project was awarded a grant from the U.S. Fish & Wildlife Service, and \$994,750.00 will be internally funded by PAG.

The Commission hereby adopts the findings in the June 14, 2022 ALJ Report and therefore issues the following.

ORDERING PROVISIONS

Upon careful consideration of the record herein, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. That the instant Petition is hereby APPROVED.
2. PAG is authorized to enter into the proposed contract with AIC International, Inc. for the construction of Agat Marina Dock B; and for a cost of up to \$1,494,750.00, of which \$500,000.00 will be funded by a grant from the U.S. Fish & Wildlife Service, and \$994,750.00 will be internally funded by PAG.

3. PAG is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with this matter. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

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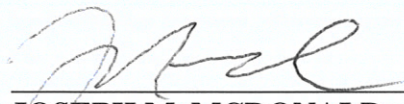
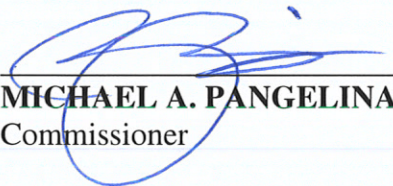
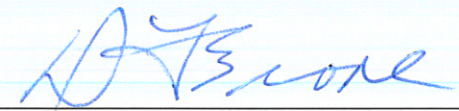
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SO ORDERED this 16th day of June, 2022.


JEFFREY C. JOHNSON
Chairman
ROWENA E. PEREZ-CAMACHO
Commissioner
JOSEPH M. MCDONALD
Commissioner
PEDRO GUERRERO
Commissioner
MICHAEL A. PANGELINAN
Commissioner
PETER MONTINOLA
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Commissioner

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