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8 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

9 IN THE MATTER OF:

10 The Application of the Guam Power Authority)
11 to Extend the Management, Operation and)
12 Maintenance of GPA's Fuel Bulk Storage)
13 Facility Contract with Isla Petroleum and)
14 Energy, LLC (IP&E Guam))

GPA DOCKET NO. 22-18

PETITION FOR CONTRACT REVIEW

15
16 **COMES NOW**, the GUAM POWER AUTHORITY (GPA), by and through its counsel
17 of record, D. GRAHAM BOTHA, ESQ., and hereby files GPA's Petition for the Public Utilities
18 Commission of Guam to review and approve GPA's request to extend the Management,
19 Operation and Maintenance of GPA's Fuel Bulk Storage Facility Contract with Isla Petroleum
20 and Energy, LLC (IP&E Guam) for the period October 1, 2022 to September 30, 2023, as
21 follows:

22 **BACKGROUND**

23 The Guam Power Authority awarded pursuant to IFB GPA-0014-17 a contract for the
24 Management, Operation and Maintenance of GPA's Fuel Bulk Storage Facility Contract to IP&E
25 Guam for an initial two (2) year period, from October 1, 2017 to September 30, 2019, with an
26 extension of the contract from October 1, 2020 to September 30, 2022. GPA issued a multi-step
27 IFB for the Management, Operation, and Maintenance of the GPA Fuel Bulk Storage Facility,
28 but the bid was cancelled due to non-compliance by the bidders. GPA has issued a re-bid, but
anticipates a delay in awarding the contract. GPA requests to extend the contract with Isla

ORIGINAL

Petroleum and Energy, LLC (IP&E), until the rebid is completed. The total cost of the one-year extension is estimated to cost \$1,118,000.

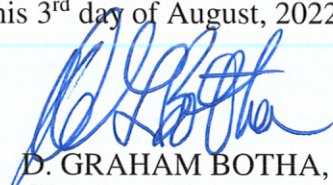
DISCUSSION

GPA hereby petitions the PUC, pursuant to the Contract Review Protocol for the Guam Power Authority to review and approve the extension of the Guam Power Authority's Management, Operation and Maintenance of GPA's Fuel Bulk Storage Facility Contract with Isla Petroleum and Energy, LLC (IP& E Guam) for the period October 1, 2022 to September 30, 2023. In support of this Petition, GPA hereby provides the PUC with Consolidated Commission on Utilities (CCU) Resolution No. FY2022-26, which authorizes the General Manager to proceed with the extension of the Fuel Bulk Storage Facility contract. Said resolution and its exhibits are attached herein as Exhibit A, and incorporated by reference herein as if fully set forth.

CONCLUSION

The PUC should approve GPA's request to extend the Management, Operation and Maintenance of GPA's Fuel Bulk Storage Facility Contract with Isla Petroleum and Energy, LLC (IP& E Guam) for the period October 1, 2022 to September 30, 2023, as it is reasonable, prudent, and necessary.

RESPECTFULLY SUBMITTED this 3rd day of August, 2022.


D. GRAHAM BOTHA, ESQ.
GPA General Counsel



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

GPA RESOLUTION NO. FY2022-26

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE PUBLIC UTILITIES
COMMISSION FOR THE EXTENSION OF THE EXISTING CONTRACT FOR THE MANAGEMENT, OPERATION AND
MAINTENANCE OF THE GUAM POWER AUTHORITY'S FUEL BULK STORAGE FACILITY
WITH ISLA PETROLEUM & ENERGY, LLC. (IP&E)**

WHEREAS, the third (3rd) year of the 3-year extension of the contract with IP&E for the Management, Operation, and Maintenance of the GPA Fuel Bulk Storage Facility under GPA-014-17 will expire on September 30, 2022;

WHEREAS, GPA issued a Multi-Step Invitation for Bid under IFB GPA-015-22 for the Management, Operation, and Maintenance of the Fuel Bulk Storage Facility but was canceled on May 2022 due to non-compliance of all the proponents on a required affidavit submittal documents; and

WHEREAS, GPA issued a Re-Bid for Multi-Step IFB GPA-015-22 and anticipate a delay in the award of the contract; and

WHEREAS, the existing contract with IP&E need to be extended to ensure continued operation and maintenance of the facility for the uninterrupted supply of fuel to GPA's baseload and peaking units; and

WHEREAS, it would also be in GPA's best interest to have a continuity of the existing contract to avoid complications that could occur as GPA converts the facility to ULSFO (0.2% sulfur) and ULSD (10ppm sulfur) for compliance with the USEPA consent decree requirements; and

WHEREAS, GPA negotiated and mutually agreed for a one (1) year extension of the existing contract with IP&E commencing in October 1, 2022; and

WHEREAS, the total requirement for the one (1) year contract extension is estimated to cost \$1,118,000.00 (**Exhibit A**); and

WHEREAS, GPA has determined that the contract fee is reasonable; and

WHEREAS, GPA is requesting for the approval of the one (1) year extension of the contract with IP&E.

27 **NOW THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on Utilities, subject to the review
28 and approval of the Guam Public Utilities Commission, as follows:

- 29
- 30 1. The Guam Power Authority is hereby authorized to execute an agreement with IP&E for a one (1)
- 31 year extension of the contract for the Management, Operation, and Maintenance of the GPA Fuel
- 32 Bulk Storage Facility commencing in October 01, 2022 and terminating in September 30, 2023.
- 33
- 34 2. The General Manager of the Guam Power Authority is hereby authorized an increase in obligating
- 35 authority to the annual value of the contract over \$750,000.00 and execute such agreements and
- 36 documents necessary for a contract extension with IP&E.
- 37


38 **RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the
39 Commission attests the adoption of this Resolution.

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41 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 26th DAY OF JULY 2022.**

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Certified by:

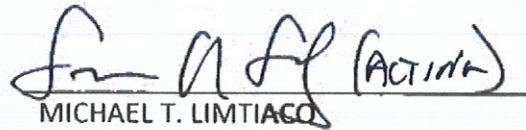


JOSEPH T. DUENAS

Chairperson

Consolidated Commission on Utilities

Attested by:



MICHAEL T. LIMTIACO

Secretary

Consolidated Commission on Utilities

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SECRETARY'S CERTIFICATE

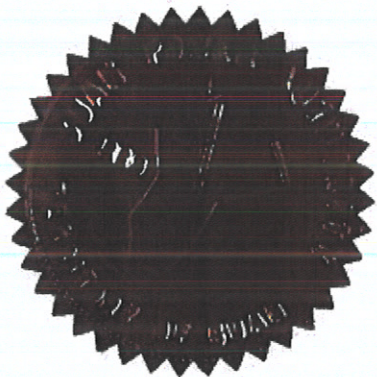
I, Michael T. Limtiaco, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced by my signature above do certify as follows: The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular meeting of the members of Guam Consolidated Commission on Utilities, 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:

Ayes: 3

Nays: 0

Absent: 1

Abstain: 0





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

EXHIBIT A

GPA-014-17: GPA BULK FUEL FARM MANAGEMENT, OPERATION, AND MAINTENANCE CONTRACT

IP & E Contract Price	2 YEAR BASE PERIOD (MANDATORY)		
	1st Year Oct2017-Sep2018	2nd Year Oct2018-Sep2019	Total
Item 1	\$ 516,560.00	\$ 532,056.80	\$ 1,048,616.80
Item 2	\$ 144,540.00	\$ 148,876.20	\$ 293,416.20
Item 3	\$ 35,000.00	\$ 36,050.00	\$ 71,050.00
Item 4	\$ 20,400.00	\$ 21,012.00	\$ 41,412.00
Item 5	\$ 2,500.00	\$ 2,575.00	\$ 5,075.00
Item 6	\$ 91,000.00	\$ 93,730.00	\$ 184,730.00
TOTAL (Items 1 thru 6)	\$ 810,000.00	\$ 834,300.00	\$ 1,644,300.00

Variance vs. Previous year
Increments \$ 24,300.00
3%
Contract Status Completed

Aggregate Total Cost \$ 810,000.00 \$ 1,644,300.00

3-YEAR EXTENSION OPTION				
1st Yr Extn Oct2019-Sep2020	2nd Yr Extn Oct2020-Sep2021	3rd Yr Extn Oct2021-Sep2022	Total	
\$ 548,018.50	\$ 564,459.06	\$ 581,392.83	\$ 1,693,870.39	3.0%
\$ 153,342.49	\$ 157,942.76	\$ 162,681.04	\$ 473,966.29	3.0%
\$ 37,131.50	\$ 38,245.45	\$ 39,392.81	\$ 114,769.76	3.0%
\$ 21,642.36	\$ 22,291.63	\$ 22,960.38	\$ 66,894.37	3.0%
\$ 2,652.25	\$ 2,731.82	\$ 2,813.77	\$ 8,197.84	3.0%
\$ 96,541.90	\$ 99,438.16	\$ 102,421.30	\$ 298,401.36	3.0%
\$ 859,329.00	\$ 885,108.88	\$ 911,662.13	\$ 2,656,100.01	3.0%

\$ 25,029.00 3% Completed
\$ 25,779.88 3% Completed
\$ 26,553.25 3% In Progress

\$ 2,503,629.00 \$ 3,388,737.88 \$ 4,300,400.01

ADDITIONAL 1-YEAR EXTENSION	
4th Yr Extn Oct2022-Sep2023	2 YEAR BASE + 4 YEAR EXTENSION OPTION
\$ 700,000.00	\$ 3,442,487.19
\$ 190,000.00	\$ 957,382.49
\$ 39,500.00	\$ 225,319.76
\$ 25,000.00	\$ 133,306.37
\$ 3,500.00	\$ 16,772.84
\$ 160,000.00	\$ 643,131.36
\$ 1,118,000.00	\$ 5,418,400.01

\$ 206,337.87 23%
For Approval

\$ 5,418,400.01

Legend: Bid Price Proposal Parameters for Mandatory Items

Item	Remarks:
Item 1	Management and Administration Fees (Include all expenses for staffing, office maintenance, expenses for utilities and communications, management fees and administration fees)
Item 2	Security Contractor
Item 3	Spill Response Company Membership Fees
Item 4	Insurance Fees (Volume I - 5.41A)
Item 5	Inventory - Environmental / Oil Spill Equipment
Item 6	Oil Spill Response & Environmental Compliance (OPA 90, SPCC and FRP, etc.)
Item 6	Operation and Maintenance Budget