

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF:

) GSWA Docket 23-01

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)  
) The Application of the Guam Solid Waste  
) Authority for Review and Approval of the  
) Award and Contract to Pacific Unlimited,  
) dba Fleet Services for Fleet Repair Services)  
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ALJ REPORT



**INTRODUCTION**

This matter comes before the Guam Public Utilities Commission [PUC] for Review and Approval of the Award and Contract to Pacific Unlimited, Inc. dba Fleet Services for Fleet Repair Services.<sup>1</sup> With this bid, GSWA procured services for preventive maintenance for all light, medium, and heavy vehicles as well as equipment. The services include provision of diagnostic and repair services for problems related to, but not limited to, engines, transmissions, electrical, hydraulics, and cooling systems; and body work, vehicle painting, frame repair, mechanical service and repair, tire repair or new tire replacement, safety inspections, and generators.<sup>2</sup>

**BACKGROUND**

The ALJ adopts the “BACKGROUND” section of GSWA’s Petition:

“On August 23, 2022, GSWA issued Invitation for Bid (IFB) No. GSWA 0008-22 soliciting for qualified companies to provide maintenance and repair services for GSWA’s light, medium, and heavy vehicles and equipment.

<sup>1</sup> GSWA Petition, GSWA Docket 23-01 dated October 14, 2022.

<sup>2</sup> PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-008-12 (Fleet Repair Services), filed with the PUC on October 13, 2022, at p. 38.



Three prospective bidders acquired a bid package, and two bidders responded. The two bidders were Pacific Unlimited Inc., dba Fleet Services (Fleet Services) and Triple J. Express Tire & Lube Inc., dba Triple J Commercial Tire.

On September 8, 2022, the two bids were opened publicly. Fleet Services was determined to be the lowest responsive and responsible bidder, having submitted a bid that offered to provide fleet repair services at the lowest price.

The total contract amount for five years as offered by Fleet Services and agreed upon by GSWA is estimated to be approximately One Million One Hundred Thousand Dollars (\$1,100,000.00) for the first year, plus an additional Four Million Four Hundred Thousand Dollars (\$4,400,000.00) for four additional 1-year periods (or \$1.1 Million per fiscal year), subject to the mutual agreement of the parties and the availability of funds.

On September 14, 2022, GSWA issued a Notice of Intent to Award the contract to Fleet Services. The award was approved by the GSWA Board of Directors on September 22, 2022 in its Resolution No. 2022-012...No protest of the award to Fleet Services was or has been made, and the period for filing a protest under 5 GCA § 5425(a) ended on September 28 (i.e., 14 days after the notice of intent to award was given to Fleet Services on September 14).”<sup>3</sup>

## DISCUSSION

### 1. GSWA’s Contract Review Protocol

GSWA indicates that the total contract amount for five years as offered by Fleet Services will be approximately One Million One Hundred Thousand Dollars (\$1,100,000.00) for the first year, plus an additional Four Million Four Hundred Thousand Dollars

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<sup>3</sup> GSWA Petition at p. 2.



(\$4,400,000.00) for four additional 1-year periods (or \$1.1 Million per fiscal year).<sup>4</sup> All professional service contracts, or any other contract or obligation, in excess of \$750,000.00, require prior PUC approval.<sup>5</sup> This proposed award and contract must be reviewed by the PUC.

## 2. The “Need” for the Procurement Award and the Fleet Services Contract

At the beginning of the procurement process, GSWA issued a “Determination of Need Re: GSWA-008-22 Fleet Repair Services.” Therein, the GSWA General Manager Irvin L. Slike, stated as follows: **“The services to be solicited are necessary for the current collection program of 21,000 households.** (emphasis added). GSWA’s newest six vehicles were purchased in 2018 and are halfway through the expected useful life of eight years. This industry standard for the eight-year life presumes an excellent maintenance program which was not observed as of October 2021. The remaining fleet of five trucks are 11 years or older. Procurement of new trucks were expected to occur in 2020, however, it was delayed due to COVID-19 pandemic. **The proper upkeep and service and repair of the current equipment is necessary to ensure GSWA services is provided to Guam’s residents.** GSWA currently has an existing contract for these services and is expected to expire on September 30, 2022.” The “Determination of Need” is attached hereto as Exhibit “1”.<sup>6</sup>

A recent article in the Guam Daily Post indicated that a reduced number of available working packer trucks has forced GSWA to work double shifts to avoid pick up delays.

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<sup>4</sup> Id.

<sup>5</sup> 12 GCA §12105 and the Contract Review Protocol for the Guam Solid Waste Authority, GSWA Docket 19-02 & Administrative Docket, par. 1(d) and par. 1(e).

<sup>6</sup> PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-008-12 (Fleet Repair Services), filed with the PUC on October 13, 2022, at p. 479.



Only four packer trucks out of seven were currently operating. At least six packer trucks were down waiting for parts. For the time being the three trucks were required to do two routes a day. GSWA Chairman Andrew Gayle stated during a GSWA meeting that “these truck issues are causing an increase in maintenance fees and an increase in overtime.”<sup>7</sup> GSWA General Manager Irvin Slike states that at present seven packer trucks are down.<sup>8</sup>

### 3. Scope of Services

As previously indicated, the services procured are for preventive maintenance for all light, medium and heavy vehicles as well as equipment. The full Scope of Services is set forth in the Procurement Record. A copy of the Scope of Services is attached hereto as Exhibit “2”.<sup>9</sup>

The scope also includes diagnostic services, troubleshooting, fabrication, modification and installment of replacement parts, performance of routine maintenance checks, change of filters, oil and lubricants, and safety inspections. The major repairs are required to be completed within five days unless otherwise agreed to by GSWA’s authorized representative.<sup>10</sup>

### 4. Cost

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<sup>7</sup> The Guam Daily Post, September 23, 2022 edition; <https://edition.pagesuite-professional.co.uk/html5/reader/production/default.aspx?pubname=&edid=7d05d618-f312-44bf-97ed-7bacb8897bb3&pnum=>

<sup>8</sup> Phone Conference between PUC ALJ Fred Horecky, GSWA GM Irvin Slike, GSWA CFO Kathy Kakigi, and Alicia Fejeran, GSWA Chief of Administration, October 17, 2022.

<sup>9</sup> PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-008-12 (Fleet Repair Services), filed with the PUC on October 13, 2022, at pgs. 38-40.

<sup>10</sup> Id.



The contract award is based upon an estimated cost of \$1.1M per year. Fleet Services has been providing Fleet maintenance and repair services to GSWA over the past five years. From 2018 to 2022, annual Fleet costs for maintenance and repair have ranged from \$935,000 to \$1,000,000.<sup>11</sup> The \$1.1M amount is estimated, but actual billings will be based upon service hours, the volume of maintenance and repair services provided, and parts cost. With the inflation factor and the ageing of the GSWA fleet, there could well be increases in the cost.

## 5. Justification for the Award and Contract

In addition to demonstrating the need for the procurement, GSWA has set forth convincing arguments for PUC approval. GSWA indicates that its mission is “to provide Guam with a safe, efficient, and effective solid waste disposal system that protects the health, safety and welfare of Guam and the Public (while also protecting the environment). A key factor in the success of this mission is the reliability of the equipment and the fleet of refuse trucks and vehicles that are necessary to collect, dispose, and recycle the waste.”<sup>12</sup> **The fleet must consistently be maintained and kept in good working order so that GSWA can perform its duty to provide waste disposal services, otherwise the public’s health will be threatened.**<sup>13</sup> It is critical that each vehicle be kept safe, reliable and available on the road for the optimum amount of time.<sup>14</sup> (emphasis added).

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<sup>11</sup> Email from GSWA CFO Kathy Kakigi to PUC ALJ Fred Horecky, dated October 19, 2022, with attached Pacific Unlimited Inc. dba Fleet Services Five Years Maintenance and Repair Report.

<sup>12</sup> GSWA Petition at p. 3.

<sup>13</sup> Id.

<sup>14</sup> Id.



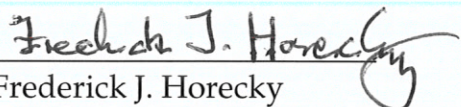
The contract with Fleet Services to maintain and repair GSWA's light, medium, and heavy vehicles and equipment is essential to the operations of GSWA and in the best interests of Guam and its residents. The contract will be comprised of the Procurement Documents and a Purchase Order.<sup>15</sup> The terms and cost of the contract appear to be fair and reasonable to all, and the procurement was made in compliance with Guam law.

### **RECOMMENDATION AND CONCLUSION**

GSWA has established that the fleet repair services which will be provided because of the Procurement Award and contract with Pacific Unlimited, Inc. are essential to GSWA's continuing waste collection activities. The PUC should approve the Award and contract with Pacific Unlimited, Inc. dba Fleet Services.

A Proposed Order is submitted herewith for the Commissioners' consideration.

Respectfully submitted this 18th day of October 2022.

  
Frederick J. Horecky  
Chief Administrative Law Judge

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<sup>15</sup> Phone Conference between PUC ALJ Fred Horecky, GSWA GM Irvin Slike, GSWA CFO Kathy Kakigi, and Alicia Fejeran, GSWA Chief of Administration, October 17, 2022.





# GUAM SOLID WASTE AUTHORITY

LOURDES A. LEON GUERRERO  
Governor of Guam

JOSHUA F. TENORIO  
Lt. Governor of Guam

IRVIN L. SLIKE  
General Manager



July 12, 2022

## MEMORANDUM

To: Irvin Slike, General Manager

CC: Procurement File

From: Alicia Fejeran, Chief of Administration

Subject: **Determination of Need Re: GSWA-008-22 Fleet Repair Services**

This Determination of Need is issued pursuant to 5 GCA § 5249 (e) and 2 GAR, Div. 4, §3114(c), which require a written determination of need justifying the use of competitive selection procedures.

Under 10 GCA Chapter 51A, Guam Solid Waste Authority (GSWA) shall organize, plan for, and secure and manage resources and promote the implementation of the Solid Waste Management Plan and evaluate and promote capital improvements and maintenance programs to the solid waste management system.

Guam Solid Waste Authority (GSWA) intends to release an invitation for bid for the procurement of fleet repair services. Estimated cost of said services is \$951,908.00 and will be funded by FY2023 Solid Waste Operations Fund.

The services to be solicited are necessary for the current collection program of 21,000 households. GSWA's newest six vehicles were purchased in 2018 and are half way through the expected useful life of eight years. This industry standard for the eight-year life presumes an excellent maintenance program which was not observed as of October 2021. The remaining fleet of five trucks are 11 years or older. Procurement of new trucks were expected to occur in 2020, however, it was delayed due to COVID-19 pandemic. The proper upkeep and service and repair of the current equipment is necessary to ensure GSWA services is provided to Guam's residents. GSWA currently has an existing contract for these services and is expected to expire on September 30, 2022.

7/12/22

Irvin L. Slike, General Manager

Date





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General Manager



## BID SHEET

ITEM #	DESCRIPTION	QUANTITY	UOM	UNIT PRICE	EXTENDED PRICE
1.0	Repairs to include diagnostics for GSWA fleet As per the following specification.				
	A. In Shop Fixed Hourly Rate	12,000	Hours	\$ _____	\$ _____
	B. Out of Shop Fixed Hourly Rate	12,000	Hours	\$ _____	\$ _____

AGGREGATE AMOUNT (A+B) = \$ \_\_\_\_\_

Bid bond shall be fifteen percent (15%) of the aggregate amount. The hours indicated are estimates only and may be subject to increase or decrease.

### SCOPE OF SERVICES:

COMPLY / NON-COMPLIANCE
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GSWA is looking to procure services for preventative maintenance for all light, medium, and heavy vehicles as well as equipment; provide diagnostic and repair services for problems related to but not limited to engines, transmissions, electrical, hydraulics, and cooling systems; bodywork, vehicle painting, frame repair, mechanical service and repair, tire repair or new tire replacement, safety inspections, generators.

Diagnose, service, and repair various systems that are found on pieces of equipment such as mechanical and electronic controls, air brake systems, transmissions, high voltage generators, and pneumatic systems.

Troubleshoot and repair malfunctions in the equipment.

Fabricate, modify and install replacement parts or special equipment such as cylinder pins, Toter C-pins and Hooks, Side Steps, Brackets for side mirrors and work lights.

Perform routine maintenance checks and adjustments on fluid levels, hoses, belts, brakes, tires and clutches when vehicle/equipment is in for repair.

Change filters and oil, lubricate vehicles and motor driven equipment.

Grease Pivot Points and ejector and packer blades railings.

Vendor is required to have five (5) year experience in automotive and equipment service and repairs, ASE Certification and Certified Mechanics.

Each vehicle must have service records summary related to all work authorized by GSWA representative. Service History Records solely belong to GSWA and should be ready for review at any given notice.





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COMPLY / NON- COMPLIANCE
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Provide Safety Inspections for all vehicles/equipment in GSWA fleet to include, but not limited to, light, medium and heavy vehicles/equipment.

Provide diagnostics findings in written form to GSWA  
Provide all required parts and repair services to gas and diesel engines, transmission, electrical, hydraulic systems, cooling systems, wheels, body work and painting.

Bidder must have the facilities and expertise so that vehicle/equipment will be fully functional and/or road worthy and repairs not apparent when subjected to inspection by GSWA.

Provide for a service truck and a mechanic (with certification on diesel and gas engines) available from 0400 – 1230 hours Monday through Friday including all holidays on a weekday except for Christmas and New Year's, covering all categories to include tire service, repair and replacement; same requirements on an "on-call" basis for Saturday and Sunday from 0700 -1530 hours.

All broken Glass or other non-repairable parts are to be removed and replaced. All colors are to be matched and paint finishes are to show no bubbles, ripples, blisters.

The vendor will supply a computer-generated estimate of the repairs required for the vehicles and equipment to GSWA designated Representative. This will include, but not limited to the following information:

- License Plate or Equipment Number
- Vehicle/Equipment information to include Year, Make, Model, VIN#, and Mileage
- Description of type of work being performed or part being replaced.
- Cost estimates for Parts/Materials
- Labor for parts that are being replaced Cost material estimates

Parts pricing and the number of hours required for job completion will be based on the most current MITCHELL COLLISION ESTIMATING GUIDE and or MOTOR CRASH ESTIMATING GUIDE. The replacement parts will be new Original Equipment Manufacturer parts, unless specified in the estimate. Failure to notify the GSWA representative of the substitution of new parts with after-market or used parts may be cause to terminate the contract.

During the course of repairs, if additional repairs and/or parts are needed and were not included in the original estimate, the GSWA representative must be notified. A revised estimate will then be submitted to GSWA for approval before the additional repairs are performed.





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COMPLY / NON-  
COMPLIANCE

Vendor must perform services at its own fully, functional maintenance facility. This maintenance facility shall be deemed a working maintenance facility with indoor bays parts inventory and certified mechanics (will require ASE Automotive Service Excellence) with experience in diagnostic testing, understanding schematic drawings and equipment manuals. Facility will require ASE recognition standard. Certifications must be submitted with bid documents as a requirement.

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To minimize down time on the GSWA vehicle/equipment fleet, vendor shall have an adequate parts inventory for GSWA vehicle/equipment fleet that will include, but not be limited to, ready access to tires, hoses, brakes lubricants and filters.

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Major repairs shall be completed within five (5) days unless otherwise agreed by GSWA authorized representative.

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Vendor shall take all necessary steps to insure down time on the GSWA vehicle/equipment fleet is kept to a minimum to include providing additional mechanics if multiple vehicles require repair.

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Vendor shall provide an inspection schedule recording defects and reporting defects and driving with defects. The inspection report is valid for 24 hours and repairs should be address immediately. A schedule may be stand-alone documents, printed on the front or back of single reports. Schedules may also be in electronic format.

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