

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)

GSWA Docket 23-01)

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)
_____)

ORDER



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.¹ 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.²

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.

¹ GSWA Petition, GSWA Docket 23-01, dated October 14, 2022.

² 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)."³

The ALJ submitted his Report in this Docket on October 18, 2022.⁴

DETERMINATIONS

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

³ GSWA Petition at p. 2.

⁴ ALJ Report, GSWA Docket 23-01, dated October 18, 2022.

(\$4,400,000.00) for four additional 1-year periods (or \$1.1 Million per fiscal year).⁵ All professional service contracts, or any other contract or obligation, in excess of \$750,000.00, require prior PUC approval.⁶ 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.** 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.” (Emphasis added). The “Determination of Need” is attached to the ALJ Report filed herein as Exhibit “1”.⁷

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.

⁵ Id.

⁶ 12 GCA §12105 and the Contract Review Protocol for the Guam Solid Waste Authority, GSWA Docket 19-02 & Administrative Docket, see (d) and (e).

⁷ PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-008-12 (Fleet Repair Services), filed with the PUC on October 13, 2022, at p. 479; attached to the ALJ Report filed herein as Exhibit “1”.

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.”⁸ GSWA General Manager Irvin Slike states that at present seven packer trucks are down.⁹

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 to the ALJ Report filed herein as Exhibit “2”.¹⁰

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.¹¹

4. Cost

⁸ 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=>

⁹ 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.

¹⁰ 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, attached to the ALJ Report filed herein as Exhibit “2”.

¹¹ 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 \$1,000,000.¹² 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 costs. The cost of the contract will be up to a total amount of \$5.5M.

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.”¹³ **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.**¹⁴ It is critical that each vehicle be kept safe, reliable and available on the road for the optimum amount of time.¹⁵ (emphasis added).

¹² 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.

¹³ GSWA Petition at p. 3.

¹⁴ Id.

¹⁵ 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.¹⁶ Funding for this contract will be from GSWA Operations Fund.¹⁷ 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.

ORDERING PROVISIONS

After careful review and consideration of the above determinations, the Petition of GSWA for Review and Approval of the Award and Contract to Pacific Unlimited, Inc. dba Fleet Services for Fleet Repair Services, the ALJ Report, and the record herein, for good cause shown, and on motion duly made, seconded, and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. GSWA's award to Pacific Unlimited, Inc. dba Fleet Services for Fleet Repair Services in Invitation for Bid (IFB) No. GSWA008-22 is approved.
2. GSWA is authorized to enter a Contract with Pacific Unlimited, Inc. dba Fleet Services for Fleet Repair Services and to expend an amount not to exceed One Million One Hundred Thousand Dollars (\$1,100,000.00) for the first year of the contract, commencing on or about November 1, 2022, and an amount not to exceed One Million One Hundred Thousand

¹⁶ 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.

¹⁷

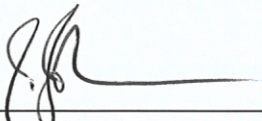
Order
Approval for Award and Contract to
Pacific Unlimited, Inc. for Fleet Repair Services
GSWA Docket 23-01
October 27, 2022

Dollars (\$1,100,000.00) per fiscal year for each of four additional 1-year periods subject to availability of funds.

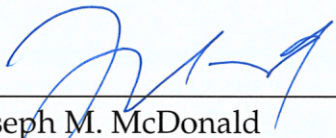
[SIGNATURES TO FOLLOW ON NEXT PAGE]

Order
Approval for Award and Contract to
Pacific Unlimited, Inc. for Fleet Repair Services
GSWA Docket 23-01
October 27, 2022

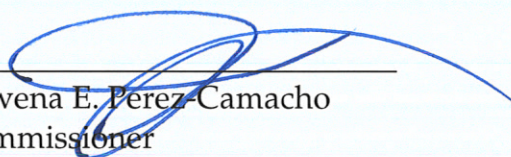
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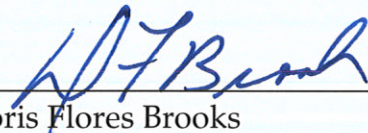
Jeffrey C. Johnson
Chairman



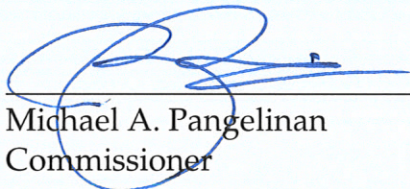
Joseph M. McDonald
Commissioner



Rowena E. Perez-Camacho
Commissioner

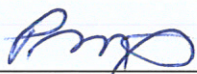


Doris Flores Brooks
Commissioner



Michael A. Pangelinan
Commissioner

Peter Montinola
Commissioner



Pedro S.N. Guerrero
Commissioner