

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

)
) GSWA Docket 23-03
)

)
) The Application of the Guam Solid Waste
) Authority for Review and Approval of the
) Award and Contract to Mid Pac Far East
) for 24-Cubic Yard Refuse Trucks with Side
) and Rear Loading
)
_____)

ALJ REPORT



INTRODUCTION

This matter comes before the Guam Public Utilities Commission [“PUC”] upon the Petition of the Guam Solid Waste Authority [“GSWA”] for PUC Review and Approval of the Award of the Contract to Mid Pac Far East for the purchase of three (3) 24-cubic yard refuse trucks with side and rear loading capacities.¹

BACKGROUND

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

“On July 29, 2022, GSWA issued Invitation for Bid (IFB) No. GSWA 0007-22 soliciting for the purchase of three (3) refuse trucks with a cab forward design, rear corner windows in B-Pillars post, a 20,000-lb front axle capacity, and a side and rear loading combination.

Two prospective bidders acquired a bid package and each responded. The two bidders were Far East Equipment and Mid Pac Far East. On September 30, 2022, the bids were opened publicly, and Mid Pac Far East was determined to be the lowest responsive and

¹ GSWA Petition, GSWA Docket 23-03, filed October 20, 2022.

responsible bidder with a bid of One Million Three Hundred Thirty Thousand Dollars (\$1,330,000.00) for all three vehicles (or approximately \$ 443,333.33 per truck).

On October 4, 2022, GSWA issued a Notice of Intent to Award the contract to Mid Pac Far East. The award was approved by the GSWA Board of Directors on October 20, 2022 in its Resolution No. 2022-003. No protest of the award to Mid Pac Far East was or has been made, and the period for filing a protest under 5 GCA § 5425(a) ended on October 18 (i.e., 14 days after the notice of intent to award was given to Mid Pac Far East on October 4)."²

The Board of Directors of GSWA authorized Management to petition the PUC to review and approve the award to Mid Pac Far East in accordance with the Contract Review Protocol for the Guam Solid Waste Authority.³

DISCUSSION

1. GSWA's Contract Review Protocol

GSWA indicates that the total cost of the three refuse trucks is One Million Three Hundred and Thirty Thousand Dollars (\$1,330,000.00).⁴ All contracts or obligations in excess of \$750,000.00 require prior PUC approval.⁵ The proposed award and contract for the purchase of the three refuse trucks must be reviewed by the PUC.

² Id. at p. 2.

³ GSWA Board Resolution No. 2023-003, Relative to Petitioning the Public Utilities Commission (PUC) for the Approval of the Award to Mid Pac Far East for Three (3) Each 24 Cubic Yard Refuse Truck with Side and Rear Loading, approved on October 20, 2022.

⁴ GSWA Petition at p. 2.

⁵ 12 GCA §12105 and the Contract Review Protocol for the Guam Solid Waste Authority, GSWA Docket 19-02 & Administrative Docket, Par. 1(f).

2. The “Need” and Justification for the Purchase of the Three Refuse Trucks

At the beginning of the procurement process, GSWA issued a “Determination of Need” Re: GSWA-007-22 Refuse Trucks (re-bid). Therein, the GSWA General Manager Irvin L. Slike stated: that **“The equipment to be purchased is necessary for the current collection program of 21,000 households.”** (Emphasis added). After indicating that the existing equipment had not been maintained in accordance with industry standards, he stated that five of the trucks are eleven years or older. Procurement of new trucks had been delayed by the COVID-19 pandemic. He concluded that **“Any further delays in equipment replacement will directly affect GSWA’s ability to collect household refuse.”** (Emphasis added). The “Determination of Need” is attached hereto as Exhibit “1”.⁶

GSWA’s Petition aptly explains the **“urgent need”** that GSWA has for the three additional refuse trucks: “GSWA requires a fleet of ten refuse trucks to provide the island with daily trash collection and disposal services. The current fleet of trucks was purchased between 2009 and 2018 by the federal Receiver. With maintenance, a typical refuse truck has an average working life of approximately seven years. Since the receivership ended, however, no new trucks have been purchased, and the fleet has been reduced by 50%, or from ten working trucks to five trucks. In order to cover the island’s trash collection with five trucks instead of ten, sanitation workers have been pulling double shifts... GSWA is in urgent need of new refuse trucks in order to continue its trash collection services.”⁷

3. Scope of the Award

⁶ See Exhibit “1” attached hereto; PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-007-22 24 Cubic Yard Rear/Side Loading Refuse Trucks, filed with the PUC on October 13, 2022, at pgs. 1015-1016.

⁷ GSWA Petition at pgs. 2-3.

The “Scope” of this Award is the provision by the selected bidder to GSWA of three refuse trucks. During the procurement, there were protests by a bidder concerning the specifications for the trucks and what those specifications, in its opinion, should be. The specifications for the three trucks were revised by various amendments over the course of the procurement. There were numerous questions presented by the bidders concerning the technical specifications for the refuse trucks. A listing of the amended specifications for the trucks are attached hereto as Exhibit “2”.⁸

The three trucks are required to be delivered to GSWA within 310 days from the issuance date on the purchase order.⁹

4. Cost

The lowest bidder, Mid Pac Far East, submitted a bid of \$443,333.33 for each truck, and the total bid of \$1,330,000.00.¹⁰ The other bidder’s total bid was \$1,635,000.00.¹¹ The second bidder’s bid was \$305,000 more than that of the selected low bidder. The price was the best that could be secured by a competitive bidding process. As GSWA’s Petition concluded, “the purchase price bid for the three trucks is fair and reasonable...”.¹² Funding of the contract will be from the GSWA Operations Fund.¹³

⁸ See Exhibit “2” attached hereto; PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-007-22 24 Cubic Yard Rear/Side Loading Refuse Trucks, filed with the PUC on October 13, 2022, at pgs. 67-72.

⁹ GSWA Board Resolution No. 2023-003, Relative to Petitioning the Public Utilities Commission (PUC) for the Approval of the Award to Mid Pac Far East for Three (3) Each 24 Cubic Yard Refuse Truck with Side and Rear Loading, approved October 20, 2022.

¹⁰ Id., at pgs. 151-157.

¹¹ Id., PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-007-22 24 Cubic Yard Rear/Side Loading Refuse Trucks, at p.212.

¹² GSWA Petition at p. 3.

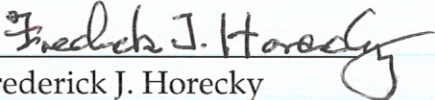
¹³ GSWA Board Resolution No. 2023-003 at p. 1.

RECOMMENDATION AND CONCLUSION

GSWA has established that it has an urgent need for the purchase of the three new refuse trucks in order to continue its trash collection services. The purchase price appears to be fair and reasonable and was the result of a procurement made in compliance with Guam law. The PUC should approve the award of a contract to Mid Pac Far East for the purchase and delivery of three 24-cubic yard refuse trucks.

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

Respectfully submitted this 20th day of October 2022.


Frederick J. Horecky
Chief Administrative Law Judge



GUAM SOLID WASTE AUTHORITY

LOURDES A. LEON GUERRERO
Governor of Guam

JOSHUA F. TENORIO
Lt. Governor of Guam

IRVIN L. SLIKE
General Manager



July 19, 2022

MEMORANDUM

To: Irvin Slike, General Manager

CC: Procurement File

From: Alicia Fejeran, Chief of Administration

Subject: **Determination of Need Re: GSWA-007-22 Refuse Trucks (Re-bid)**

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 one (3) 24 Cubic Yard Refuse Truck with Side and Rear Loading and (1) 8 Cubic Yard Rear Loading Electric Cab Over Refuse Truck. Purchase of said equipment will be funded by FY2022 Operations Capital Outlay balance of \$520,000 and FY2022 Fund Balance of \$1,100,000.

The equipment to be purchased is 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. Any further delays in equipment replacement will directly affect GSWA's ability to collect household refuse.

The Rear Loading and Side Loading trucks eliminate the need for a worker to pull trash carts to be serviced and would decrease labor costs. Electric vehicle would be consistent with the island's initiatives in reducing fossil fuel consumption and lower life cycle costs.

Pursuant to 2 GARR §3122(3), it is determined that multiple source contracting shall be used and an incremental award may be made depending on the outcome of the bids received in response to the Solicitation.

The reasons for this determination are that the items required to be purchased are of such a nature as to be in high demand and of limited production/quantity and that an award to more



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than one contractor may be necessary in order for GSWA and the Territory to obtain the total quantity or the required delivery.

An inquiry was submitted to the local General Services Agency to confirm that the item was not available in the Government of Guam's inventory.

Irvin L. Slike, General Manager

Date



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COMPLY / NON-COMPLIANCE

Packer body shall meet ANSI standard Z-245.1

Maximum body height above frame is 96 inches (body lowered) and 208 inches (body raised)

The structural integrity of the body shall be designed to withstand load densities of up to 1,000 lbs. per cubic yard of compaction

Hydraulic packer controls at rear of packer body. All control levers for the valves must conform to ANSI Z245-1

Body Construction:

Body Side: 10 ga-80,000 psi minimum

Body Roof: 10 ga-80,000 psi minimum

Body Floor: 3/16" – 50,000 psi minimum

Body may include a channel shaped floor member that provides height above the chassis frame for the axle deflection. This channel member will run the full length of the body from front to rear; or the body may be of a flat one piece floor with no channel with a height above chassis for axle deflections to provide by 8" x 3" rectangle tube sills, full length

Packing Mechanism Construction:

Total cycle time no more than: 23 seconds

Total re-load time no more than 9 seconds

Riding, non-skidding steps and grab handles on each side of the hopper will be supplied

Tailgate latches shall be hydraulically operated working in conjunction with the tailgate lift cylinders or tailgate latches to work independently of the tail gate cylinders

Manual or auxiliary automated latch systems

Lifters and compactor must be able to cycle simultaneously

Ejection System:

Full ejection unloading method only; Dump style bodies are not acceptable

The ejector panel shall travel on urethane guide shoes. Rollers are not acceptable

No portion of the ejector panel can extend beyond the rear body plane

Control/Lighting:

Two (2) Flashing red lights at rear of packer body



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COMPLY / NON-COMPLIANCE

Four (4) flood lights to be installed at rear of packer body

Two (2) to be mounted at the top of the tail gate

Two (2) to be mounted above rear packer controls and riding steps

Controls to be mounted at rear by packer control

These lights are to be grommet mount style for shock absorbance and ease of maintenance

Color:

Packer Body shall be white

Painting:

Two coats of automotive grade primer and enamel shall be applied to provide an extra barrier against rust and corrosion

Required Feature:

Minimum one (1) roll cart lifter installed on rear or right-hand hopper with controls on driver and curbside of the body.

Lifters must be compatible for use with 95 gallon carts

Fuel: Compatible with diesel fuel sold on Guam

Transmission:

Allison 4500 RDS Transmission, 6 speed Allison World Transmission automatic, Rugged Duty Service; Allison output function "s" – Neutral Indicator for PTO

Allison transmission fluid test port with remote coupler

Axels:

Front: Minimum 20,000 lbs. with 22,000 lbs. springs

Rear: Minimum 46,000 lbs. Hendrickson HMX 460

Suspension; Axle load ratings shall comply with Guam weight law

Tires:

Front: 315 80R/22.5" tire 20 Ply; 22.5" by 9" aluminum wheel with 3.12" inset using an Alcoa #893657 LV1 finish

Rear: 11R 22.5" Tires 16 Ply; 22.5" aluminum wheel using an Alcoa #883677 LV1 finish

Cab:

Cab Forward with complete rust proofing including cab undercoating with a three (3) year corrosion and five (5) year structural guarantee



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COMPLY / NON-COMPLIANCE

Cab to be fully welded, two sided galvanized all steel structure for maximum strength, safety, and corrosion resistance or superior

Front windshield with curved corners having a minimum of 2,033 square inches for maximum visibility

Rear corner windows in B-Pillars post for maximum visibility and safety

Minimum of 62 inches from bumper to back of cab

Cab Forward Fabric Air Ride Mid Back Driver Seat

Fabric Non-air ride low back passenger seat

Fresh air conditioner

Fixed Rear Window with BOC STD tint

Radio with auto mute when Allison transmission is in reverse

Rain gutters over both doors

Engine Oil Pressure and Coolant Gauges; oil temperature gauge

Fuel gauge, Ammeter, Speedometer, Odometer, Hour Meter

Cab shall be painted white both outside and inside

Roof mounted double air horn

Steering wheel horn

Ten (10) pound fire extinguisher mounted in cab

First aid kit mounted in cab

Adjustable Sun shield (visor) for driver and passenger

Thermal insulator to shield cab from engine heat

Brakes:

Brake system to service refuse service; rear brake camshaft reinforcement

Brake warning system

Anti-lock braking system (ABS)

Air cam front

Drum brakes 16.5 x 7

454 M Air Cam Rear Drum brakes 16.5 x 8.6

60 psi or less for air pressure



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COMPLY / NON-COMPLIANCE

Air dryer manual, slack adjuster, air dryer, and 18.7 CFM (minimum) air compressor

Steering:

Left hand drive, Dual (left hand/right hand) is acceptable; maximum turning radius of 31 feet

Power Steering

Chassis:

Chassis shall be painted black

Aluminum 75 gallon fuel tank

High pressure gear type hydraulic pump; PTO to be air shifted with switch on dash board with indicator light.

Cable operated PTO not acceptable

Frame made of full double channel or equivalent and shall be of such a design and strength characteristic as to meet standard practice for trucks of same general load. Any secondary manufacturing process that modifies the original frame bidder shall guarantee the performance of workmanship and material resulting from such modification. All modifications to the factory chassis frame shall be listed in the bid

Equipped with front double acting shock absorbers compatible with manufacturer's gross vehicle weight rating

Bumper shall be of pressed steel channel or equivalent material at least 3/16ths of an inch thick and 8 to 10 inches in height with two pin

Exhaust shall be right hand vertical

Mirrors:

One (1) Corrosion Resistant mirror on driver's side and one (1) Corrosion resistant mirror on passenger side

Eight (8) inch convex mirrors center mounted under vertical

Mirrors shall be motorized to move left and right

Camera:

Rear camera with minimum seven (7) inch screen equipped with thermal and/or night vision for use when vehicle is backing up. Radio automatically shuts off when vehicle in reverse

Engine:

Engine shall meet the refuse industry standard for load capacity and weight

Minimum 320 horse power @ 21000 rpm / 1,150 ft. lbs of torque



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COMPLY / NON-COMPLIANCE

12 volt starter

Standard auxiliary outlet

Battery disconnect switch mounted on battery box

Engine Radiator 1300 square inch dual core minimum for maximum cooling capacity

Hydraulics:

Hydraulic pump shall be a fixed displacement rated at no less than 2,750 psi working pressure and have sufficient capacity to equal 35-38 gpm flow at a reasonable engine rpm

Hydraulic pump shall be direct mount to a transmission driven clutch activated PTO

Hydraulic reservoir capacity shall be a minimum of 50 gallons

Suction line at reservoir outlet shall incorporate a ball style shut off valve

Visual site gauge for monitoring the hydraulic oil level and temperature shall be furnished

One hundred mesh suction strainer and a 10 micron in-tank style return line filter shall be furnished

Return filter will have a visual indicator to show when the element needs to be changed

All directional control valves must be of adequate flow capacity which keeps system back-pressured to a minimum

The front eject and tailgate lift valve shall incorporate the main system relief valve set at a maximum of 2,750 psi. The eject section of this valve shall be fitted with a hydraulic resistance valve which controls the ejection cylinder movement during operation for maximum load density

A speed up switch will interface with the engine throttle advance so the recommended engine speed is obtained when the packing mechanism is in engaged mode

All control levers for valves must conform to ANSI Z245-1
Wiring:

A tailgate warning alarm and dash mounted light shall be incorporated and activate when the tailgate is raised

Body wiring interface to chassis wiring must be plug-in weather proof connectors. Splicing into chassis wiring is not acceptable

A speed-up auxiliary button shall be located at the front tailgate/eject valve location

All wiring must be encased in split case style loom



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COMPLY / NON-COMPLIANCE

Wiring harness connections shall be double seal automotive type

Miscellaneous Items:

Mud Flaps front and rear

Tool box

Locking fuel cap

Three sets of keys for each truck

One (1) operator's manual hardcopy per truck; online manuals acceptable

One (1) operator's manual on CD per truck; online manuals acceptable

One (1) complete illustrated parts book per truck

One (1) shop repair manual per truck

One (1) warranty manual per truck

Manufacturer's training of GSWA crews (8 hours) and contracted mechanics (20 hours)

Delivered with a full tank of fuel

5-10 Gallon Pressurized Aluminum water tank with hose and nozzle to clean small spills; Located at the rear of the truck

Warranty:

Minimum three (3) years/36,000 miles bumper to bumper vehicle Warranty and five (5) years 60,000 mile limited power train warranty

Preventive maintenance service for three (3) years/36,000 miles, all parts and labor shall be included at no extra cost to GSWA

Automated Lift Arm:

Lift Capacity is 800 pounds minimum

Cycle time is minimum 8 seconds at idle

Reach is 9 feet minimum

Ground Clearance is 20 inch minimum from grabber arms

Arm mechanism max weight is 1,900 pounds

Lift arm controls are joystick air over hydraulic with feathering ability

Note: The GSA Federal Contract will be considered along with its terms and conditions if offered.

Bidding On:

Manufacturer: _____

Year: _____

Model: _____

Place of Origin: _____

Date of Delivery: _____