

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)
_____)

ORDER

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

The ALJ submitted his Report in this Docket on October 20, 2022.⁴

DETERMINATIONS

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).⁵ All contracts or obligations in

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 ALJ Report, GSWA Docket 23-03, dated October 20, 2022.

⁵ GSWA Petition at p. 2.

excess of \$750,000.00 require prior PUC approval.⁶ The proposed award and contract for the purchase of the three refuse trucks must be reviewed by the PUC.

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 to the ALJ Report as Exhibit “1”.⁷

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

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

⁷ See Exhibit “1” attached to the ALJ Report; 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.

pulling double shifts... GSWA is in urgent need of new refuse trucks in order to continue its trash collection services.”⁸

3. Scope of the Award

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 to the ALJ Report as Exhibit “2”.⁹

The three trucks are required to be delivered to GSWA within 310 days from the issuance date on the purchase order.¹⁰

4. Cost

The lowest bidder, Mid Pac Far East, submitted a bid of \$443,333.33 for each truck, and the total bid of \$1,330,000.00.¹¹ The other bidder’s total bid was \$1,635,000.00.¹² The second bidder’s bid was \$305,000 more than that of the selected low bidder. The price

⁸ GSWA Petition at pgs. 2-3.

⁹ See Exhibit “2” attached to the ALJ Report; 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.

¹⁰ 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.

¹¹ Id., at pgs. 151-157.

¹² Id., PROCUREMENT RECORD, Invitation for Bid IFB No. GSWA-007-22 24 Cubic Yard Rear/Side Loading Refuse Trucks, at p.212.

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...".¹³ Funding of the contract will be from the GSWA Operations Fund.¹⁴

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 Mid Pac Far East for the purchase and deliver of three (3) refuse trucks, 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 and contract to Mid Pac Far East for the purchase and delivery of three (3) refuse trucks, Invitation for Bid (IFB) No. GSWA-007-22, is approved.
2. GSWA is authorized to expend the amount of One Million Three Hundred and Thirty Thousand Dollars (\$1,330,000.00) for the contract with Mid Pac Far East.


[SIGNATURES TO FOLLOW ON NEXT PAGE]

¹³ GSWA Petition at p. 3.


¹⁴ GSWA Board Resolution No. 2023-003 at p. 1.

Order
Approval for Award and Contract to
Mid Pac Far East for Refuse Trucks
GSWA Docket 23-03
October 27, 2022

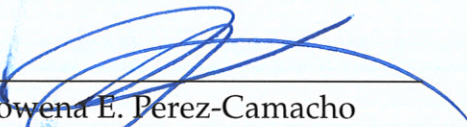
Dated this 27th day of October, 2022.




Jeffrey C. Johnson
Chairman




Joseph M. McDonald
Commissioner



Rowena E. Perez-Camacho
Commissioner

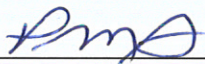


Doris Flores Brooks
Commissioner



Michael A. Pangelinan
Commissioner

Peter Montinola
Commissioner



Pedro S.N. Guerrero
Commissioner