

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF: ) GWA Docket 23-05  
)  
GWA YIGO SEWER PUMP STATION )  
FLOOD MITIGATION AND FACILITY ) **ORDER**  
REHABILITATION CONSTRUCTION )  
PROJECT )  
\_\_\_\_\_ )

INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] pursuant to the Petition of the Guam Waterworks Authority ["GWA"] for PUC Approval of GWA's Additional Funding for the Yigo Sewer Pump Station ["SPS"] Flood Mitigation and Facility Rehabilitation Construction Project (the "Project").<sup>1</sup>

BACKGROUND

On July 31, 2018, GWA contracted with AECOM Technical Services for the design of the Project. After the design was completed, GWA issued an Invitation for Bid for construction services on December 17, 2020.<sup>2</sup> On April 26, 2021, GWA entered a construction contract with IAN Corporation ("IAN") for the demolition of features within an existing sewer pump station building and for the demolition of specific equipment for the Yigo Sewer Pump station. New rehabilitation and flood mitigation features for the pump station were to be constructed.<sup>3</sup> The contract price awarded was \$928,884.74.<sup>4</sup>

<sup>1</sup> GWA Petition, GWA Docket 23-05, dated March 13, 2023.

<sup>2</sup> Id., at p. 1.

<sup>3</sup> Id., at p. 2.

<sup>4</sup> Id.



The Yigo SPS is located within a known flood area and the SPS building, including the wet well, dry well, and upper levels of the SPS, floods during extreme or heavy wet weather events. Due to “age, usage, and flooding, the SPS condition deteriorated and required replacement or rehabilitation of electrical panels, instrumentation, controls, power sources, ventilation, and other miscellaneous building improvements for operation and safety concerns.”<sup>5</sup>

The Agreement between GWA and IAN requires the completion of the following work:

“Yigo Sewer Pump Station: demolition of existing building features and equipment, including the existing power pole and power meter, plumbing fixtures and piping, water service piping, electrical system, ventilation system, building fascia and monorail beam and construction of rehabilitation and flood mitigation features including structural wall repairs, flood barrier gates, raised louver sills, cantilever monorail beam, elevated platforms, ventilation system, site work, site water piping, utility tie-in connections, protective coatings, electrical system, instrumentation and controls, testing, startup, and appurtenant work, as shown and specified, complete and operable, in accordance with the Contract Documents.”<sup>6</sup>

The Project was supposed to be substantially completed with 360 calendar days from the Notice to Proceed.<sup>7</sup>

During the construction process, additional safety and operability concerns of the current SPS were identified, which led to some additional changes in design for the

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<sup>5</sup> GWA Petition at Exhibit A-01, Guam Consolidated Commission on Utilities GWA Resolution No. 13-FY2023, Relative to Approval of Additional Funding for the Yigo Sewer Pump Station Flood Mitigation and Facility Rehabilitation Construction Project, GWA Project No. S18-001-BND, approved and adopted on February 21, 2023.

<sup>6</sup> GWA Petition, AGREEMENT BETWEEN OWNER AND CONTRACTOR FOR CONSTRUCTION CONTRACT, at EXHIBIT A-06.

<sup>7</sup> Id., at EXHIBIT A-06-EXHIBIT A-07.



Motor Control Center (MCC), Hoist, and Platform.<sup>8</sup> After the redesign and discussions with IAN for the additional changes in scope, GWA and IAN negotiated Change Order No. 1 in the additional amount of \$184,491.28.<sup>9</sup> Draft Change Order No. 1 would approve the following changes to the scope of work:

1. Revision of the height of the Motor Control Center to address the clearance issue between the proposed MCC and the ceilings and monorail beam.
2. Upgrade of the hoist capacity from the 1 Ton to 2 Ton for additional capacity and useful life.
3. Change of design and material for an elevated platform to allow for safer working conditions, as well as ease of maintenance of the pump station mechanical and electrical equipment, especially in the event of area flooding.<sup>10</sup>

If the Change Order is approved by the PUC, the total contract price would be \$1,113,376.02.<sup>11</sup>

GWA petitions the PUC to review and approve the cost of \$184,491.28 to IAN, for Project No. S18-001-BND, through Change Order No. 1, to fund the additional work required to complete improvements and the service needed to rehabilitate the Yigo Sewer Pump Station.<sup>12</sup>

The Administrative Law Judge ["ALJ"] filed his Report on March 25, 2023.<sup>13</sup>

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<sup>8</sup> Id., at EXHIBIT A-02.

<sup>9</sup> Id.

<sup>10</sup> Draft Change Order No. 1, at GWA Petition, Exhibit A-14.

<sup>11</sup> Id.

<sup>12</sup> GWA Petition, GWA Docket 23-05, dated March 13, 2023, at p. 1.

<sup>13</sup> ALJ Report, GWA Docket 23-05, dated March 25, 2023.



## **DETERMINATIONS**

### **1. GWA's Contract Review Protocol.**

The GWA Contract Review Protocol requires that the PUC must review “[A]ll Professional service procurements in excess of \$1,000,000...”.<sup>14</sup> Any financial obligation which involves the use of bonds must also be reviewed by the PUC.<sup>15</sup> GWA indicates that the initial contract amount of \$928,884.74 must be increased by \$184,491.28 to complete the additional scope bringing the new contract amount to \$1,113,376. For proposed Change Order No. 1, GWA will utilize Bond funds from Bond MP-WW-Pump-01.<sup>16</sup> The funding for the Project must be approved by the PUC.<sup>17</sup>

### **2. GWA has justified the “Need” for the improvements and service under Change Order No. 1 to rehabilitate the Yigo Sewer Pump Station.**

During the initial construction process by IAN, additional safety and operability concerns of the current Yigo SPS were identified, which led to the changes proposed in Change Order No. 1 in the design for the Motor Control Center (MCC), Hoist, and Platform.<sup>18</sup> Unless Change Order No. 1 is approved, the additional safety and

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<sup>14</sup> Contract Review Protocol for Guam Waterworks Authority, Administrative Docket, Docket 00-04, dated October 27, 2005, at Par. 1(c).

<sup>15</sup> Id., at Par. 1(d).

<sup>16</sup> GWA Petition, GWA Docket 23-05, dated March 13, 2023, at p. 3.

<sup>17</sup> Contract Review Protocol for Guam Waterworks Authority, Administrative Docket, Docket 00-04, dated October 27, 2005, at Par. 1.

<sup>18</sup> GWA Petition, Guam Consolidated Commission on Utilities GWA Resolution No. 13-FY2023, Relative to Approval of Additional Funding for the Yigo Sewer Pump Station Flood Mitigation and Facility Rehabilitation Construction Project, GWA Project No. S18-001-BND, approved and adopted on February 21, 2023, at EXHIBIT A-02.



operability concerns that were not identified under the prior and initial scope of construction could not be addressed.<sup>19</sup>

After IAN Corporation proposed the provision, installation and testing of new MCC equipment and two new hoists, and an elevated Platform, stairs, railing, and ladder, GWA's Construction Contractor for the Project, Duenas, Camacho and Associates, Inc., approved the proposed Change Order No. 1 and the additional cost for work and services thereunder of \$184,491.28.<sup>20</sup>

**3. The Additional Funding for Change Order No. 1 for the Yigo SPS appears to be reasonable, prudent and necessary.**

The record demonstrates that the cost for proposed Change Order No. 1 was extensively negotiated between IAN and GWA's project representative Duenas, Camacho and Associates, Inc.<sup>21</sup> The ultimate price for the change order was reduced significantly from IAN's initial proposal, and GWA's representative negotiated detailed changes in specific price items proposed by IAN. The final Proposal for the cost of Change Order No. 1, at \$184,419.28, is attached to the ALJ Report as Exhibit "A".<sup>22</sup>

**4. Board Resolution.**

GWA Resolution No. 13-FY2023, the Guam Consolidated Commission on Utilities ["CCU"] found that Change Order No. 1 was "fair, reasonable, **and needed to complete**

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<sup>19</sup> GWA Petition, GWA Docket 23-05, dated March 13, 2023, at p. 3.

<sup>20</sup> Letter to GWA General Manager Miguel Bordallo from Duenas, Camacho and Associates Inc., dated February 2, 2023, at EXHIBIT A-15.

<sup>21</sup> GWA Petition, GWA Docket 23-05, dated March 13, 2023, at EXHIBIT A-14 through EXHIBIT A-66.

<sup>22</sup> Id. at EXHIBIT A-17.



**the work under the contract.**"<sup>23</sup> (emphasis added). The CCU authorized the funding amount for the contract in the total amount of \$1,113,376.02, including funding for the Change Order No. 1 in the amount of \$184,491.28.<sup>24</sup> Finally, this CCU further authorized the management of GWA to petition the PUC for approval for Change Order No. 1.<sup>25</sup>

### **ORDERING PROVISIONS**

Upon consideration of the record herein, the Petition of the Guam Waterworks Authority for PUC Approval of GWA's Additional Funding for the Yigo Sewer Pump Station Flood Mitigation and Facility Rehabilitation Construction Project, the ALJ Report, and for good cause shown, on motion duly made, seconded, and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby **ORDERS** that:

1. The total funding for the Yigo Sewer Pump Station Flood Mitigation and Facility Rehabilitation Construction Project in the amount of \$1,113,376.02 is approved. GWA is authorized to expend such sums on the Project.
2. The approved funding includes funding for Change Order No. 1 in the amount of \$184,491.28. Bond funds may be utilized by GWA for the funding from the Bond MP-WW-Pump-01 account.

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<sup>23</sup> GWA Petition at Exhibit A-01, Guam Consolidated Commission on Utilities GWA Resolution No. 13-FY2023, Relative to Approval of Additional Funding for the Yigo Sewer Pump Station Flood Mitigation and Facility Rehabilitation Construction Project, GWA Project No. S18-001-BND, approved and adopted on February 21, 2023, at EXHIBIT A-03.

<sup>24</sup> Id. at EXHIBIT A-03.

<sup>25</sup> Id.



3. GWA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses are authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

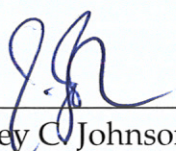
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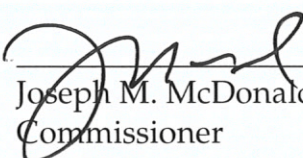
Order  
Approval for GWA Additional  
Funding for Yigo SPS  
GWA Docket 23-05  
March 30, 2023

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Dated this 30th day of March 2023.

  
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Jeffrey C. Johnson  
Chairman

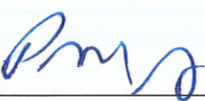
  
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Rowena E. Perez-Camacho  
Commissioner

  
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Joseph M. McDonald  
Commissioner

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Michael A. Pangelinan  
Commissioner

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Peter Montinola  
Commissioner

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Doris Flores Brooks  
Commissioner

  
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Pedro S.N. Guerrero  
Commissioner





Frederick Horecky <fredhorecky@gmail.com>

## Tariff Rate Simplification

1 message

Jojo Guevara <jbguevara@portofguam.com>  
To: Fred Horecky <fredhorecky@gmail.com>

Mon, Mar 27, 2023 at 4:40 PM

Hafa Adai Attorney Horecky,

Hope you are doing well. I want to inform you that the Port has been working with our consultants (WSP) for the past two years in creating a Tariff Simplification analysis. The objective of the analysis is to create new flat rates for common charges that are billed to each type of cargo handling, that are currently showing in different line items in the customer's invoices. The study also includes consolidation of charges on special services done to the Port customers. Besides simplifying the tariff, the goal of the proposed new simpler and consolidated rates is that the proposed charges will result in revenue neutrality. This means that the revisions will result in neither a material increase or decrease in Port revenues. The finished product is a proposed Terminal Tariff that replaces the existing Terminal Tariff #1.

So my initial inquiries to you are as follows:

- How are we presenting this to PUC?
- Will it be similar or the same process as an application for rate relief?
- Will the Port be submitting all the standard filing requirements needed in a rate relief process?

We have initially engaged with our Port customers regarding the idea of simplifying the tariff and majority or almost all are in favor of the initiative. This will help them in their dealing with their customers and providing estimates of the charges in a more prompt manner to their customers.

We are in the planning stage of submitting this study to PUC and want to make sure that the approach is in line with PUC regulations. Your guidance in this matter is appreciated.

Thank you very much.

Sincerely,

Jojo Guevara

**Jose B. Guevara III, CGFM, MBA, PMP**

**Financial Affairs Controller**

Port Authority of Guam



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