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BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

GWA DOCKET NO. 24-02

**REQUEST BY THE GUAM
WATERWORKS AUTHORITY TO
ISSUE AN INVITATION FOR BID
(IFB) TO PROCURE
SUBMERSIBLE PUMPS AND
MOTORS**

**PETITION FOR GWA TO ISSUE AN
INVITATION FOR BID TO PROCURE
SUBMERSIBLE PUMPS AND MOTORS**

COMES NOW, the GUAM WATERWORKS AUTHORITY (“GWA”), by and through its counsel of record, THERESA G. ROJAS, ESQ., and hereby files its Petition seeking PUC approval to issue an Invitation for Bid (“IFB”) to Procure Submersible Pumps and Motors for GWA Deep Wells.

BACKGROUND

GWA currently has an existing multi-year contract with JMI-Edison, which was procured via IFB 2021-01. The initial three-year contract term will expire on May 5, 2024. GWA has acquired various size deep well pumps and motors to replenish, as best as possible, the warehouse stock levels in the amount of Two Million Six Hundred Sixty-Nine Thousand Ten Dollars and Five Cents (\$2,669,010.05) leaving a balance from the original authorization of Sixty-One Thousand Four Hundred Twenty-Three Dollars and Seventy-Eight Cents (\$61,423.78).

GWA water production division has continually assessed pumps and motors at the various well sites that are not operating as efficiently as possible and for downed wells that require pump

1 or motor replacement to bring them back into service, which has increased over the life of the
2 contract and further compounded by the impact of Typhoon Mawar.

3 **REQUEST FOR APPROVAL**

4 GWA now desires to procure a new Invitation for Bid ("IFB") submersible pumps and
5 motors for GWA deep wells prior to the expiration of its existing contract with JMI-Edison due
6 to substantial price escalations of pumps and motors incurred to date, where the average increase
7 cost of pumps was 22% and for the motors 27% from the original bid price. GWA intends to
8 procure a multi-year contract (three-year contract with an option to extend for two (2) additional
9 one (1) year terms).

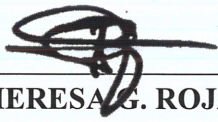
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11 In support of this Petition, GWA Management is authorized to seek PUC approval under
12 the Contract Review Protocol to issue a new multi-year procurement for submersible pumps and
13 motors and found GWA's request reasonable and acceptable via GWA Resolution 47-FY2023.
14 GWA Resolution 47-FY2023 and its supporting exhibits are attached as Exhibit A and are
15 incorporated by reference as if fully set forth herein.
16

17 **CONCLUSION**

18
19 Based on the foregoing, GWA respectfully requests the PUC approval to begin the
20 procurement process for submersible pumps and motors for GWA deep wells and approve the
21 issuance of IFB 2024-04 as set forth in GWA Resolution 47-FY2023 and the attached Exhibit A.

22 **RESPECTFULLY SUBMITTED** this day of November 14th 2023.
23
24
25

26 By:

27 
28 **THERESA G. ROJAS**
GWA Legal Counsel



GWA RESOLUTION NO. 47-FY2023

**RELATIVE TO APPROVAL OF FUNDING INCREASE TO THE INDEFINITE
QUANTITY CONTRACT WITH JMI-EDISON FOR SUBMERSIBLE PUMPS AND
MOTORS FOR GWA DEEP WELLS**

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities (“CCU”) has plenary authority over financial, contractual, and policy matters relative to the Guam Waterworks Authority (“GWA”); and

WHEREAS, the Guam Waterworks Authority (“GWA”) is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, on January 26th, 2021 the CCU approved via Resolution 07-FY2021 for GWA management to enter into a multi-year contract with JMI-Edison to provide Deep Well Submersible Pumps and Motors that would ensure GWA has adequate stock replenishment on GWA’s warehouse shelf; and

WHEREAS, the CCU approved a funding authorization for the contract with JMI-Edison in the amount of Two Million Seven Hundred Forty-Four Thousand One Hundred Forty-Two Dollars and Eighty-Three Cents (\$2,744,142.83) in which One Million Four Hundred Ninety-Six Thousand Eight Hundred Five Dollars and Eighteen Cents (\$ 1,496,805.18) was for the purchase of Submersible Pumps and Motors for GWA Deep Wells for the initial three-year contract term, along with an additional Nine Hundred Ninety-Seven Thousand Eight Hundred Seventy Dollars and Twelve Cents (\$997,870.12) for the possible two (2) one-year options to renew the contract and a 10% contingency of Two Hundred Forty-Nine Thousand Four Hundred Sixty-Seven Dollars and Fifty-Three Cents (\$249,467.53); and

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1 **WHEREAS**, to date, GWA has acquired through multiple Purchase Orders various size
2 deep well pumps and motors to replenish, as best as possible, the warehouse stock levels in the
3 amount of Two Million Six Hundred Sixty-Nine Thousand Ten Dollars and Five Cents
4 (\$2,669,010.05) leaving a balance from the original authorization of Sixty-One Thousand Four
5 Hundred Twenty-Three Dollars and Seventy-Eight Cents (\$61,423.78); and
6

7 **WHEREAS**, the cost for the pumps and motors incurred to date also included two price
8 escalations where the average increase cost of pumps was 22% and for the motors was 27% from
9 the original bid price; and
10

11 **WHEREAS**, the GWA water production division has conducted over the life of the
12 contract production well pump and motor replacements for wells that are not operating as
13 efficiently as possible and for downed wells that require pump or motor replacements to bring
14 them back into service; and
15

16 **WHEREAS**, the rate of required pump and motor replacements has increased over the
17 life of the contract, which has also been compounded by the impact of Typhoon Mawar and
18 conditions during the response and recovery; and
19

20 **WHEREAS**, the planned efforts of the water production division, the impact of Typhoon
21 response and recovery, as well as the need to always have adequate stock levels will require
22 additional pump and motor acquisition and as such GWA management is seeking CCU approval
23 to increase the funding authorization for the contract with JMI- Edison up to the funding
24 authorization level approved by the Public Utilities Commission (PUC), which is 20% above the
25 Two Million Seven Hundred Forty-Four Thousand One Hundred Forty-Two Dollars and Eighty-
26 Three Cents (\$2,744,142.83), or an additional Five Hundred Forty-Eight Thousand Eight
27 Hundred Twenty-Eight Dollars and Fifty-Seven Cents (\$548,828.57) to bring the total CCU
28 funding authorization to Three Million Two Hundred Ninety-Two Thousand Nine Hundred
29 Seventy-One Dollars and Forty Cents (\$3,292,971.40); and
30

1 **WHEREAS**, the source of funding for the Submersible Pumps and Motors is Internally
2 Funded Capital Improvement Projects; and

3
4 **WHEREAS**, GWA Management has determined that moving forward with a new
5 procurement for multi-year supply contract for submersible pumps and motors would in total be
6 more than the threshold amount of the PUC Contract Review Protocol, and would also be in the
7 best interest of the Authority, and, therefore seeks CCU authorization to petition the PUC under
8 the Protocol for approval to move forward with a new procurement.

9
10 **NOW BE IT THEREFORE RESOLVED**; the Consolidated Commission on Utilities
11 does hereby approve the following:

- 12 1. The recitals set forth above hereby constitute the findings of the CCU.
- 13 2. The need to have adequate pumps on motors in the GWA warehouse for the
14 water production deep wells which is in the best interest of the territory of
15 Guam and Guam Waterworks Authority.
- 16 3. The CCU hereby authorizes the additional funding authorization of Five
17 Hundred Forty-Eight Thousand Eight Hundred Twenty-Eight Dollars and
18 Fifty-Seven Cents (\$548,828.57) for GWA management to acquire additional
19 pumps and motors for GWA Deep Wells.
- 20 4. The CCU hereby further approves the funding total of Three Million Two
21 Hundred Ninety-Two Thousand Nine Hundred Seventy-One Dollars and
22 Forty Cents (\$3,292,971.40).
- 23 5. GWA Management is hereby authorized to seek PUC approval under the
24 Contract Review Protocol to issue a new multi-year procurement for
25 submersible pumps and motors.

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27 **RESOLVED**, that the Chairman certified, and the Board Secretary attests to the adoption
28 of this Resolution.

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DULY AND REGULARLY ADOPTED, this 27th day of September 2023.

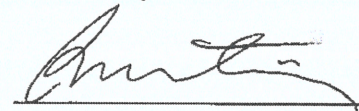
Certified by:

Attested by:



JOSEPH T. DUENAS

Chairperson



PEDRO ROY MARTINEZ

Secretary

SECRETARY'S CERTIFICATE

I, Pedro Roy Martinez, Board Secretary of the Consolidated Commission on Utilities as evidenced by my signature above do hereby certify as follows:

The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular meeting by the members of the Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

AYES:

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NAYS:

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ABSENT:

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ABSTAIN:

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