BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GSWA Docket 24-01	31110
Petition for Review and Approval of Award and Contract to Worldwide Enterprise, Inc. for 24-Cubic Yard Rear Loading Refuse Trucks	ORDER ORDER ORDER	PECFIVED NOV 3 0 2023 Public Vultires Commission GUAM
IN THE MATTER OF:) GSWA Docket 24-02	
Petition for Review and Approval of		
Award and Contract to Far East	ORDER	
Equipment, LLC for 24-Cubic Yard Side)	
Loading Refuse Trucks)	

INTRODUCTION

These matters come before the Guam Public Utilities Commission ["PUC"] upon the Petitions of the Guam Solid Waste Authority ["GSWA"] for Review and Approval of Awards and Contracts to Worldwide Enterprises, Inc. for two (2) 24-Cubic Yard Rear Loading Refuse Trucks and to Far East Equipment LLC for two (2) 24-Cubic Yard Side Loading Refuse Trucks.¹

BACKGROUND

Both bid awards, to Worldwide Enterprise, Inc. and Far East Equipment, LLC., arose out of the same Invitation for Bid (IFB) No. GSWA-004-23. The IFB solicited: (1) the

¹ GSWA Petitions, GSWA Dockets 24-01 and 24-02, filed November 15, 2023.

purchase of two (2) refuse trucks with a cab forward design, rear corner windows in B-Pillars post, a 20,000-lb. front axile capacity, and side loading capability; and (2) the purchase of two (2) 24-Cubic yard refuse trucks, with similar design as above, but with rear loading capability.²

Only one bidder, Far East Equipment LLC, submitted a bid for two Rear Loading Refuse Trucks and two Side Loading Refuse Trucks.³

However, the IFB indicated that GSWA could consider Federal GSA contracts if offered. GSWA received a quote from Federal GSA for two trucks with rear loading capability from Federal GSA at a cost of \$847,645.60 for both vehicles (approximately \$423,822.80 per truck).⁴

For the rear loading Refuse Trucks, Far East's Equipment's price for the two units was \$940,436.66, which exceeded the Federal GSA quote by 10.95%. In accordance with 5 GCA §5122, the General Services Agency (GSA) is authorized to secure supplies on behalf of the Government of Guam when the cost to the GSA is less by ten percent (10%) than from other contractors.⁵ The GSA Chief Procurement Officer has authorized the issuance of a Purchase Order to the Federal vendor, Worldwide Enterprise, Inc., for the total amount of \$847,645.60 for two (2) 24cy Rear Loading Refuse Trucks.⁶

For the two side loading refuse trucks, Far East Equipment's price for the two (2) Side Loading Units was \$986,399.84, while the Federal GSA contract offered the same

² Id.at p. 1 of the GSWA Petitions.

³ Id

⁴ GSWA Petition, GSWA Docket 24-01, at p. 1.

⁵ Id.

⁶ Id.

equipment for \$959,320.80. Far East Equipment's bid was higher by 2.82%, which is less than the 10% threshold. GSA issued an Intent to Award the two side loading trucks to Far East Equipment on October 6, 2023.⁷

Both Worldwide Enterprise, Inc. and Far East Equipment Company, LLC, have warranted that they can deliver the refuse trucks to GSWA in 630 days.⁸

The funding for the front loading and the side loading Refuse Trucks will be made from funds available to Guam through the Federal American Rescue Plan Act (ARPA), U.S. Public Law No. 117-2.9

DETERMINATIONS

1. GSWA's Contract Review Protocol

GSWA indicates that the total cost of the four refuse trucks, under Invitation for Bid IFB No. GSWA 004-23, will be \$1,834,045.44. The PUC-GSWA Contract Review Protocol provides that all contracts or obligations in excess of \$750,000.00 require prior PUC approval.¹⁰ Therefore, the proposed awards for the purchase of the four refuse trucks must be reviewed by the PUC.

⁷ GSWA Board Resolution No. 2024-002, Relative to Petitioning the Public Utilities Commission (PUC) for the Approval of the Award to Worldwide Enterprises, Inc. for two (2) 24CY Rear Loading Refuse Trucks and the Award to Far East Equipment for two (2) 24CY Side Loading Refuse Trucks, adopted and approved on October 26, 2023 (attached to GSWA Petitions as Exhibit "1").

⁸ GSWA Petitions, GSWA Docket 24-01 and 24-02, at p. 1.

⁹ GSWA Board Resolution No. 2024-002, Exhibit 1 to the Petitions, at p. 2.

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

2. <u>GSWA</u> has justified the necessity for purchasing the four refuse trucks from Worldwide Enterprise, Inc. and Far East Equipment Company, LLC.

In various dockets, GSWA has repeatedly demonstrated that it has an urgent need to purchase additional refuse trucks. As previously determined by the PUC in GSWA Docket 23-03, GSWA does not presently have enough trucks to maintain the current collection program of 21,000 households. **GSWA has an urgent need for new refuse trucks.**¹¹ Any further delays in truck equipment replacement will directly affect GSWA's ability to collect household refuse.¹²

GSWA has transmitted to the PUC the complete procurement records for Invitation for Bid (IFB) No. GSWA-004-23.¹³ As a part of the Procurement Record, GSWA submitted a "DETERMINATION OF NEED", a true and correct copy of which is attached to the ALJ Report as Exhibit "1". 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.¹⁴

3. <u>Approval by the PUC of the purchase of refuse trucks is in the best interest of the ratepayers of Guam and is reasonable, prudent and necessary.</u>

The purchase of four garbage refuse trucks is necessary to complete the upgrade and replacement of GSWA's aging fleet that was originally purchased between 2009 and

¹¹ PUC Order, GSWA Docket 23-03, p. 4, dated October 27, 2022.

¹² Id. at p. 3.

¹³ The Procurement Records were submitted by email, Google Drive, to ALJ Horecky on November 15, 2023, by GSWA Procurement.

¹⁴ GSWA Determination of Need.

2018 by the federal Receiver.¹⁵ The equipment to be purchased is necessary for the continuation of the current collection program of 21,000 households.¹⁶

ORDERING PROVISIONS

After careful review and consideration of the above determinations, the Petitions of GSWA for Review and Approval of the Awards and Contracts to Worldwide Enterprises, Inc. for two (2) 24-Cubic Yard Rear Loading Refuse Trucks, and to Far East Equipment LLC for two (2) 24-Cubic Yard Side Loading 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:

- GSWA's awards and contracts to Worldwide Enterprises, Inc. for two (2) 24-Cubic Yard Rear Loading Refuse Trucks, and to Far East Equipment LLC for two (2) 24-Cubic Yard Side Loading Refuse Trucks, Invitation for Bid (IFB) No. GSWA-004-23, are approved.
- 3. GSWA is authorized to expend the amount of One Million Eight Hundred Thirty-Four Thousand and Forty-Five Dollars and Forty-Four Cents (\$1,834,045.44) for the Contracts/Purchase Orders with Worldwide Enterprises, Inc. and Far East Equipment LLC.

¹⁵ ALJ Report, GSWA Docket 23-04, dated May 18, 2023, at p. 5.

¹⁶ Id.

Dated this 30th day of November, 2023.

Jeffrey C. Johnson

Chairman

Rowena E Perez-Camacho

Commissioner

Michael A. Pangelinan

Commissioner

Pedro S.N. Guerrero

Commissioner

Joseph M. McDonald

Commissioner

Doris Flores Brooks

Commissioner

Peter Montinola

Commissioner