



Through GSWA Board Resolution No. 2024-006, Relative to Approval to Increase Funding for Temporary Staffing and Services Contract, dated March 7, 2024, the Board of Directors of the Guam Solid Waste Authority approved an increase in the contract with Pacific Human Resources Inc. for Year 2 (FY2024) by \$539,701.00, and Year 3 (FY2025) by \$229,000.00 (total increase of \$768,701.00) to accommodate the increased demand for temporary staffing services.<sup>5</sup>

The new total contract award would now be, if the increase is approved by the PUC, \$2,770, 701.00.

## DISCUSSION

### 1. GSWA's Contract Review Protocol

The PUC previously approved the Award and Contract to PHRS for Temporary Staffing in the amount of \$2,002,000.00.<sup>6</sup> However, at present, GSWA seeks to increase the funding for the PHRS contract in the amount of \$768,701.00, from \$2,002,000.00 to a new total of \$2,770,701.00. Par. No. 9 of the Contract Review Protocol between the Guam Solid Waste Authority and the Guam Public Utilities Commission provides as follows:

“GSWA shall not incur expenses for PUC approved internally financed contracts and obligations in excess of 10% over the amount authorized by the Commission without prior PUC approval. In the event that GSWA estimates that it will exceed the PUC approved level of expenditures by more than 10%, it shall submit to the PUC the revised estimate and full explanation of all additional costs.”<sup>7</sup>

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<sup>5</sup> Exhibit 2 to GSWA Petition, dated March 7, 2024.

<sup>6</sup> PUC Order, GSWA Docket 23-02, dated November 29, 2022, at p. 3.

<sup>7</sup> The Contract Review Protocol for the Guam Solid Waste Authority, GSWA Docket 19-02 & Administrative Docket, par. 9 at p.4.

Here, the increase contemplated by GSWA constitutes roughly a 38% increase in the contract amount originally approved by the PUC. Therefore, the proposed increase in funding for the PHRS Contract requires prior review and approval by the PUC.<sup>8</sup>

2. GSWA Explanation and Justification for Additional Funding for Temporary Staffing Services.

In its contract approval request to the PUC in 2022 for the PHRS contract, GSWA assumed that “[T]he approved budget allocation for Year 2 and 3 was intended to cover the employment costs of 2 equipment operators and 6 sanitation workers.”<sup>9</sup> However, as of today, GSWA has a total of 18 temporary employees, far exceeding the initial projections.<sup>10</sup> In GSWA Docket 23-02, GSWA indicated that it has been unsuccessful in recruiting for positions such as Sanitation Worker and Equipment Operator.

From October 1, 2023 to April 1, 2024, there have been and will be 18 temporary employees: 6 Equipment Operators and 12 Sanitation Workers. From April 1, 2024 to April 28, 2024, GSWA will have 16 temporary employees: 6 Equipment Operators and 10 Sanitation Workers. From April 28, 2024 to September 30, 2024, GSWA will have 12 temporary employees: 4 Equipment Operators and 8 Sanitation Workers.<sup>11</sup>

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<sup>8</sup> Contract Review Protocol for the Guam Solid Waste Authority, GSWA Docket 19-02 & Administrative Docket, Order, dated July 29, 2019, par. 9 at p. 4.

<sup>9</sup> GSWA Petition at p. 1.

<sup>10</sup> Id.

<sup>11</sup> PHRS Breakdown Projected Cost Estimates, submitted by GSWA CFO Kathrine Kakigi to PUC ALJ Fred Horecky, in an email dated March 18, 2024: attached hereto as Exhibit “1”.

The total cost for temporary employees for FY2024, from October 1, 2023, to September 30, 2024 is \$946,493.02.<sup>12</sup> GSWA indicates that it has hired 2 permanent sanitation workers effective April 1, 2024 and foresees filling the 4 permanent equipment operators by April 28, 2024, which will bring down the temporary staffing from 18 to 12.<sup>13</sup>

As indicated by GSWA, its funding for temporary employees under the PHRS contract for FY2024 (Year 2) is short by \$539,701.00.<sup>14</sup> For FY2025 (Year 3) the budget shortfall in funding will be \$228,862.14.<sup>15</sup> Therefore, the total budget shortfall, for Years 2 and 3 of the PHRS Contract is \$768,701.00.<sup>16</sup>

In GSWA Docket 23-02, the PUC held that: “GSWA has demonstrated a pressing and urgent need to contract with PHRS for the hiring of Sanitation Workers and Heavy Equipment Operators.”<sup>17</sup> GSWA indicates that: “[T]he aftermath of Typhoon Mawar resulted in extensive operational backlogs necessitating the hiring of additional personnel to address these challenges. This increased demand for temporary employees has persisted in Year 2 and is anticipated to extend in the Year 3 to ensure the timely completion of essential services and the catch-up of operational activities.”<sup>18</sup>

The impact of Typhoon Mawar resulted in a substantial increase in workload and operational challenges for GSWA. GSWA was mandated to collect substantial amounts

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<sup>12</sup> Id.

<sup>13</sup> GSWA Petition, GSWA Docket 24-03, dated March 12, 2024, at p. 1.

<sup>14</sup> Id.

<sup>15</sup> Exhibit “1”, PHRS Breakdown Projected Cost Estimates, attached hereto.

<sup>16</sup> Id.

<sup>17</sup> PUC Order, Approval for Award and Contract to PHRS for Temporary Staffing, GSWA Docket 23-02, dated November 29, 2022 at p. 7.

<sup>18</sup> GSWA Petition, GSWA Docket 24-03, dated March 12, 2024 at p. 1.

of refuse from the residents of Guam. It was also tasked with managing an increase of refuse at residential transfer stations.<sup>19</sup>

GSWA has explained and justified the necessity for additional funding for temporary staffing services.

### **RECOMMENDATION AND CONCLUSION**

Based upon the documentation provided, the ALJ finds that GSWA's request to increase the funding of the PHRS contract for Years 2 and 3 in the additional amount of \$768,701.00 is essential to manage the ongoing operational demands of GSWA and to enable it to meet its commitment in providing essential services to the residents of Guam.

The positions of sanitation worker and equipment operator are essential and critical for GSWA's operations. The reduction in the numbers of temporary employees from 18 to 12 in FY2024, indicates that GSWA is making prudent efforts to reduce the number of employees required under the PHRS contract. The ALJ recommends that the PUC approve the increase in funding for the PHRS Contract for Temporary Staffing Services in the amount of \$768,701.00 (\$539,701.00 for Year 2 and \$229,000.00 for Year 3). The funding for the PHRS contract would then be increased from \$2,002,000.00 to a new total of \$2,770,701.00.

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

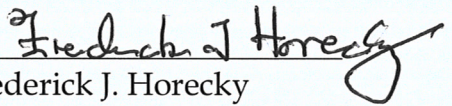
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<sup>19</sup> GSWA Petition at p.1.

ALJ Report  
Approval to Increase Funding  
for PHRS Contract for  
Temporary Staffing Services  
GSWA Docket 24-03  
March 23, 2024

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Respectfully submitted this 23rd day of March 2024.

  
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Frederick J. Horecky  
Chief Administrative Law Judge

**PROJECTED COST - TEMPORARY EMPLOYEES - October 1, 2023 to April 1, 2024**

<b>Position Title</b>	<b>Current Hourly Rate</b>	<b>Billed Hourly Rate</b>	<b>Weekly Wages</b>	<b>Annual Wages</b>	<b>OVERTIME 133.12 hrs- 26 wks</b>	<b>TOTAL PAY</b>
1 Equipment Operator	18.54	26.08	1,043.20	27,123.20	5,207.65	32,330.85
2 Equipment Operator	18.54	26.08	1,043.20	27,123.20	5,207.65	32,330.85
3 Equipment Operator	18.54	26.08	1,043.20	27,123.20	5,207.65	32,330.85
4 Equipment Operator	18.54	26.08	1,043.20	27,123.20	5,207.65	32,330.85
5 Equipment Operator	18.54	26.08	1,043.20	27,123.20	5,207.65	32,330.85
6 Equipment Operator	18.54	26.08	1,043.20	27,123.20	5,207.65	32,330.85
7 Sanitation Worker	16.95	24.56	982.40	25,542.40	4,904.14	30,446.54
8 Sanitation Worker	16.95	24.56	982.40	25,542.40	4,904.14	30,446.54
9 Sanitation Worker	16.95	24.56	982.40	25,542.40	4,904.14	30,446.54
10 Sanitation Worker	16.95	24.56	982.40	25,542.40	4,904.14	30,446.54
11 Sanitation Worker	16.95	24.56	982.40	25,542.40	4,904.14	30,446.54
12 Sanitation Worker	16.95	24.56	982.40	25,542.40	4,904.14	30,446.54
13 Sanitation Worker	16.95	24.56	982.40	25,542.40	4,904.14	30,446.54
14 Sanitation Worker	16.95	24.56	982.40	25,542.40	4,904.14	30,446.54
15 Sanitation Worker	16.95	24.56	982.40	25,542.40	4,904.14	30,446.54
16 Sanitation Worker	16.95	24.56	982.40	25,542.40	4,904.14	30,446.54
17 Sanitation Worker	16.95	24.56	982.40	25,542.40	4,904.14	30,446.54
18 Sanitation Worker	16.95	24.56	982.40	25,542.40	4,904.14	30,446.54
						<b>559,343.62</b>

**PROJECTED COST - TEMPORARY EMPLOYEES - April 1, 2024 to April 28, 2024**

<b>Position Title</b>	<b>Current Hourly Rate</b>	<b>Billed Hourly Rate</b>	<b>Weekly Wages</b>	<b>Annual Wages</b>	<b>OVERTIME 20.48 hrs- 4 wks</b>	<b>TOTAL PAY</b>
1 Equipment Operator	18.54	26.08	1,043.20	4,172.80	801.18	4,973.98
2 Equipment Operator	18.54	26.08	1,043.20	4,172.80	801.18	4,973.98
3 Equipment Operator	18.54	26.08	1,043.20	4,172.80	801.18	4,973.98
4 Equipment Operator	18.54	26.08	1,043.20	4,172.80	801.18	4,973.98
5 Equipment Operator	18.54	26.08	1,043.20	4,172.80	801.18	4,973.98
6 Equipment Operator	18.54	26.08	1,043.20	4,172.80	801.18	4,973.98
7 Sanitation Worker	16.95	24.56	982.40	3,929.60	754.48	4,684.08
8 Sanitation Worker	16.95	24.56	982.40	3,929.60	754.48	4,684.08
9 Sanitation Worker	16.95	24.56	982.40	3,929.60	754.48	4,684.08
10 Sanitation Worker	16.95	24.56	982.40	3,929.60	754.48	4,684.08
11 Sanitation Worker	16.95	24.56	982.40	3,929.60	754.48	4,684.08
12 Sanitation Worker	16.95	24.56	982.40	3,929.60	754.48	4,684.08
13 Sanitation Worker	16.95	24.56	982.40	3,929.60	754.48	4,684.08
14 Sanitation Worker	16.95	24.56	982.40	3,929.60	754.48	4,684.08
15 Sanitation Worker	16.95	24.56	982.40	3,929.60	754.48	4,684.08
16 Sanitation Worker	16.95	24.56	982.40	3,929.60	754.48	4,684.08
						<b>76,684.70</b>

**PROJECTED COST - TEMPORARY EMPLOYEES - April 28, 2024 to September 30, 2024**

<b>Position Title</b>	<b>Current Hourly Rate</b>	<b>Billed Hourly Rate</b>	<b>Weekly Wages</b>	<b>Annual Wages</b>	<b>OVERTIME 101.42 - 22 Wks</b>	<b>TOTAL PAY</b>
1 Equipment Operator	18.54	26.08	1,043.20	22,950.40	3,967.55	26,917.95
2 Equipment Operator	18.54	26.08	1,043.20	22,950.40	3,967.55	26,917.95
3 Equipment Operator	18.54	26.08	1,043.20	22,950.40	3,967.55	26,917.95
4 Equipment Operator	18.54	26.08	1,043.20	22,950.40	3,967.55	26,917.95
5 Sanitation Worker	16.95	24.56	982.40	21,612.80	3,736.31	25,349.11
6 Sanitation Worker	16.95	24.56	982.40	21,612.80	3,736.31	25,349.11
7 Sanitation Worker	16.95	24.56	982.40	21,612.80	3,736.31	25,349.11
8 Sanitation Worker	16.95	24.56	982.40	21,612.80	3,736.31	25,349.11
9 Sanitation Worker	16.95	24.56	982.40	21,612.80	3,736.31	25,349.11
10 Sanitation Worker	16.95	24.56	982.40	21,612.80	3,736.31	25,349.11
11 Sanitation Worker	16.95	24.56	982.40	21,612.80	3,736.31	25,349.11
12 Sanitation Worker	16.95	24.56	982.40	21,612.80	3,736.31	25,349.11
						<b>310,464.70</b>

**Grand Total for FY 2024**

**946,493.02**

Less: FY24 Budget

(451,000.00)

Projected Budget Shortfall:

495,493.02

**PROJECTED COST - TEMPORARY EMPLOYEES - October 1, 2024 to September 30, 2025**

Position Title	Current Hourly Rate	Billed Hourly Rate	Weekly Wages	Annual Wages	OVERTIME 120.12 - 52 Wks	TOTAL PAY
1 Equipment Operator	18.54	26.08	1,043.20	54,246.40	4,699.09	58,945.49
2 Equipment Operator	18.54	26.08	1,043.20	54,246.40	4,699.09	58,945.49
3 Equipment Operator	18.54	26.08	1,043.20	54,246.40	4,699.09	58,945.49
4 Equipment Operator	18.54	26.08	1,043.20	54,246.40	4,699.09	58,945.49
5 Sanitation Worker	16.95	24.56	982.40	51,084.80	4,425.22	55,510.02
6 Sanitation Worker	16.95	24.56	982.40	51,084.80	4,425.22	55,510.02
7 Sanitation Worker	16.95	24.56	982.40	51,084.80	4,425.22	55,510.02
8 Sanitation Worker	16.95	24.56	982.40	51,084.80	4,425.22	55,510.02
9 Sanitation Worker	16.95	24.56	982.40	51,084.80	4,425.22	55,510.02
10 Sanitation Worker	16.95	24.56	982.40	51,084.80	4,425.22	55,510.02
11 Sanitation Worker	16.95	24.56	982.40	51,084.80	4,425.22	55,510.02
12 Sanitation Worker	16.95	24.56	982.40	51,084.80	4,425.22	55,510.02
						<b><u>679,862.14</u></b>
						Less: Budget
						<u>(451,000.00)</u>
						Budget Shortfall:
						<u>228,862.14</u>