

In April 2024, GPA issued Invitation for Bid (“IFB”) 48-24, which advertised the solicitation of forty-nine (49) stationary generators and eleven (11) portable generators with trailers, ranging from 125kW to 300kW.³ Thereafter, GPA’s evaluation team determined Morrigo Equipment, LLC (“Morrigo”) to be lowest responsive and responsible bidder.

On August 27, 2024, the Guam Consolidated Commission on Utilities (the “CCU”), through GPA Resolution No. 2024-27, authorized GPA to award the medium-sized generators to the lowest, most responsive and responsible bidder, at a cost of \$3,006,527.48; and subject to the PUC’s approval.⁴

DISCUSSION

A. Contract Review Protocol

Pursuant to 12 G.C.A. § 12105, GPA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC’s express approval. Furthermore, GPA’s Contract Review Protocol requires that “[a]ll professional service procurements in excess of \$1,500,000” require “prior PUC approval . . . which shall be obtained before the procurement process is begun.”⁵

B. GPA’s Purchase of Medium-Sized Water System Diesel Generators

In its Petition, GPA requests PUC approval for the purchase of medium-sized generators, which range from 125kW to 300kW.⁶ Specifically, GPA intends to purchase twenty (20) stationary 125kW generators; thirteen (13) stationary 175kW generators; sixteen (16) stationary

³ Petition, p. 2.

⁴ GPA Resolution No. 2024-27, p. 1.

⁵ GPA’s Contract Review Protocol (“GPA CRP”), Administrative Docket 00-04, p. 1 (Feb. 15, 2008) (emphasis omitted).

⁶ Petition, p. 2.

300kW generators; three (3) portable 125kW generators; five (5) portable 175kW generators; and three (3) portable 300kW generators.⁷

According to GPA, the medium-sized generators will serve as back-up power for certain critical water system sites, such as those located in: Pago Bay, Ypao, Paseo de Oro, the Port, Mataguac, Dairy Road, Flora Pago, Leyang, Fema, Yigo, and Malojloj, just to name a few.⁸ These generators have a one (1) year warranty, which includes scheduled maintenance, any diagnostics and inspection costs.

C. Cost

GPA submits that the cost for the sixty (60) medium-sized WSD generators total \$3,006,527.48.⁹ The purchase consists of twenty (20) 125kW generators, which cost \$34,833.07 per unit, and totaling \$696,61.40.¹⁰ GPA submits that the funding will come from its CIP budget.

CONCLUSION

In GPA Docket 24-10, the PUC determined that GPA's solicitation of waster system diesel generators to be reasonable, prudent, and necessary. Specifically, this Commission found that the "aging fleet" of generators was not meeting the current demand, especially in light of GPA's power outages; and that replacing the generators made the most sense since spare replacement parts were no longer being manufactured for the current generators.¹¹ Moreover,

⁷ Petition, p. 2.

⁸ GPA Resolution No. 2024-28, "Exhibit A", pp. 1-2.

⁹ Petition, p. 2.

¹⁰ Petition, p. 2.

¹¹ Order, GPA Docket 24-10, p. 3 (Jan. 25, 2024).

due to GWA's reliance on electric pumps to operate its pumping stations for both its drinking and wastewater system, the generators are necessary to keep these pump stations operational during extended periods of power outage.¹²

This Commission has additionally found that “[m]ost of the WSD generators are over 29 years old” and are “near the end of their service life.”¹³ These generators have also “become difficult to maintain, unreliable,” and are difficult to obtain replacement parts due to their age.¹⁴

For the reasons stated herein, the ALJ, therefore, finds the instant purchase to be reasonable, prudent, and necessary.

RECOMMENDATION

Based on the documentation provided by GPA in this docket, and for the other reasons set forth herein, the ALJ recommends that the PUC approve GPA's Petition. Accordingly, GPA should be authorized to these medium-sized WSD generators at a cost not to exceed \$3,006,527.48. A proposed Order for the PUC is attached hereto for the PUC's consideration.

Dated this 2nd day of December, 2024.



JOEPHET R. ALCANTARA
Administrative Law Judge

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¹² Order, GPA Docket 24-10, p. 3 (Jan. 25, 2024).

¹³ Order, GPA Docket 24-10, p. 1 (Jan. 25, 2024).

¹⁴ Order, GPA Docket 24-10, p. 1 (Jan. 25, 2024).