

Accordingly, the PUC authorized GPA to solicit the purchase of “new WSD generators for an estimated cost of \$11.4 million, which includes \$9.5 million for the generators and a 20% contingency of \$2 million.”²

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 Morrico Equipment, LLC (“Morrico”) 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

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

² Order, GPA Docket 24-10, p. 3.

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).

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 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 submitted 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 \$696,661.40.¹⁰ GPA submitted that the funding will come from its CIP budget.

⁶ Petition, p. 2.

⁷ Petition, p. 2.

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

⁹ Petition, p. 2.

¹⁰ Petition, p. 2; *see* Bid Prices submitted by Morrico, appended hereto as "Exhibit 1."

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, 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 therein, the ALJ, therefore, found 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 recommended that the PUC approve GPA's Petition. Accordingly, GPA should be authorized to purchase these medium-sized WSD generators from Morrico at a cost not to exceed \$3,006,527.48.

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

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).

The Commission hereby adopts the findings in the December 2, 2024 ALJ Report and therefore issues the following.

ORDERING PROVISIONS

Upon careful consideration of the record herein, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. That the instant Petition is hereby APPROVED.
2. GPA is authorized to purchase sixty (60) medium-sized WSD generators from Morrico Equipment, LLC, at a cost not to exceed \$3,006,527.48.
3. GPA is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with this matter. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

SO ORDERED this 2nd day of December, 2024.



JEFFREY C. JOHNSON
Chairman



ROWENA E. PEREZ-CAMACHO
Commissioner



JOSEPH M. MCDONALD
Commissioner



PETER MONTINOLA
Commissioner

MICHAEL A. PANGELINAN
Commissioner



DORIS FLORES BROOKS
Commissioner

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EXHIBIT 1

BID PRICES

Bid No.	Size (kW)	Bidder		Bid Price per Unit	Bid Qty	Morrice	
		Brand	Kohler			Kohler	Total Costs
GPA-048-24	125	Stationary	(277/480)	\$ 34,833.07	20	\$	696,661.40
	125	Mobile	(120/208)	\$ 36,696.18	3	\$	110,088.54
	175	Mobile	(277/480)	\$ 67,986.76	5	\$	339,933.80
	175	Stationary	(277/480)	\$ 44,338.50	13	\$	576,400.50
	300	Mobile	(277/480)	\$ 100,455.32	3	\$	301,365.96
	300	Stationary	(277/480)	\$ 61,379.83	16	\$	982,077.28
					60	\$	3,006,527.48

Bid No.	Size (kW)	Bidder		Bid Price per Unit	Bid Qty	Morrice	
		Brand	Kohler			Kohler	Total Costs
GPA-053-24	30	Stationary, V-	277/280	\$ 21,901.54	5	\$	109,507.70
	30	Stationary, V-	120/240	\$ 21,992.68	6	\$	131,956.08
	30	Mobile, V-	120/240	\$ 31,980.18	8	\$	255,841.44
	30	Stationary, V-	120/208	\$ 22,393.75	3	\$	67,181.25
	60	Stationary, V-	277/480	\$ 26,577.52	7	\$	186,042.64
					29	\$	750,529.11

Bid No.	Size (kW)	Bidder		Bid Price per Unit	Bid Qty	Morrice	
		Brand	Kohler			Kohler	Total Costs
GPA-052-24	500	Stationary w/Install	(277/480)	\$ 156,706.44	7	\$	1,096,945.08
	500	Mobile		\$ 173,649.67	3	\$	520,949.01
	800	Stationary w/Install	(277/480)	\$ 284,315.03	2	\$	568,630.06
	1400	Stationary w/Install	(277/480)	\$ 495,556.09	2	\$	991,112.18
					14	\$	3,177,636.33

Total \$ 6,934,692.92