

1 **THERESA G. ROJAS, ESQ.**  
2 Legal Counsel  
3 Guam Waterworks Authority  
4 Gloria B. Nelson Public Service Building  
5 Route 688 Route 15, Suite 304  
6 Mangilao, Guam 96913  
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7 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

8 IN THE MATTER OF:

9 **GWA DOCKET NO. 25-06**

10 **GUAM WATERWORKS**  
11 **AUTHORITY'S LEASE WITH**  
12 **MORRICO EQUIPMENT, LLC FOR**  
13 **HEAVY EQUIPMENT**

10 **PETITION TO APPROVE PURCHASE OF**  
11 **LEASED HEAVY EQUIPMENT AND LEASE**  
12 **EXTENSION**

14 **COMES NOW**, the GUAM WATERWORKS AUTHORITY ("GWA"), by and through  
15 its counsel of record, THERESA G. ROJAS, ESQ., and hereby files its Petition seeking the PUC's  
16 approval to authorize increased funding to GWA's Heavy Equipment Lease Contract with  
17 Morrico Equipment, LLC to (1) to extend the terms of the existing lease agreement for an  
18 additional three (3) months at 2019 pricing and to (2) exercise the existing option to purchase  
19 nine (9) heavy equipment vehicles.  
20

21 **I. BACKGROUND**

22  
23 In late November and December 2018, the CCU and the PUC approved GWA's contract  
24 with Morrico Equipment, LLC to lease heavy equipment vehicles.<sup>1</sup> The authorized contract  
25 totaled One Million, One Hundred Sixty Thousand, Eight Hundred Twenty-Nine Dollars  
26 (\$1,160,829.00) for a five-year term and included maintenance agreements for each vehicle and  
27

28  
29 <sup>1</sup> See CCU Resolution No. 04-FY2019, Relative to the Approval of a Multi-Year Lease Agreement for Heavy Equipment, November 27, 2018, and PUC GWA Docket 19-07, Order, Petition of GWA for Approval of a Multi-Year Lease Agreement for Heavy Equipment, December 27, 2018.

1 vehicle replacement terms.<sup>2</sup> The contract terms also included an option to purchase the leased  
2 equipment at the end of the lease term at fair market value with a similar requirement for  
3 maintenance agreements for all purchased equipment.

4 Over the course of the five-year contract, GWA leased three (3) 4-wheel drive backhoes,  
5 three (3) heavy-duty trailers, and three (3) tandem dump trucks. Among these vehicles, the last  
6 lease term was set to expire in February 2025, triggering lease termination OR the option to  
7 purchase. Months before the lease expiration approached, GWA requested Morrico to provide its  
8 pricing to purchase the leased equipment. To date, Morrico has provided the following offers for  
9 purchase:  
10

11 1. Used 2020 Freightliner M2112 Dump Truck at: \$109,796.00 per unit

12 2. Used 2019 New Holland B110C Backhoe Loader at: \$49,817.00 per unit

13 3. Used 2019 Felling FT-24-2 Trailer at: \$13,557.00 per unit

14  
15 See **Exhibit A-007-009** for Morrico's proposal.

16  
17 GWA's procurement division conducted a market valuation analysis to assess whether the  
18 above-offered prices were fair market value and determined the following:

19 For the 2020 freightliner M2112 dump truck, market valuations showed ranges from  
20 \$84,024.00 (auction) to \$120,049.00 (retail top quartile), with a midpoint value of \$100,060.00  
21 for purchase. Therefore, the proposed purchase price of \$109,796.00 per unit was found  
22 competitive given the good condition of the units relative to their mileage.

23  
24 For the 2019 New Holland B110C Backhoe Loader, market valuations showed ranges from  
25 \$17,706.00 (auction) and \$27,952.00 (retail top quartile), with a midpoint of \$21,770.00 for  
26 purchase. The proposed purchase of \$49,817.00 per unit appeared higher than fair market value;  
27

28  
29 <sup>2</sup> See CCU Resolution No. 04-FY2019, Relative to the Approval of a Multi-Year Lease Agreement for Heavy  
Equipment, November 27, 2018, AND PUC GWA Docket 19-07, Order, Petition of GWA for Approval of a Multi-  
Year Lease Agreement for Heavy Equipment, December 27, 2018.

1 however, GWA determined that the backhoe for purchase included premium features such as an  
2 enclosed operator cab, a 4-in-1 multi-purpose bucket opening with plate compactor, hydraulic  
3 hammer, two buckets and a mid-pressure hydraulic plumbing which justify the premium price  
4 offered and which were not considerations included in the market valuation ranges.

5 For the 2019 Felling FT-24-2 Trailer, market valuations show a range between \$8,728.00  
6 (auction) and \$10,769.00 (retail top quartile), with a midpoint of \$9,252.00 for purchase; The  
7 proposed purchase price of \$13,557.00 per unit, similar to the backhoes, also appeared higher  
8 than fair market value but the valuation analysis further confirmed that the trailers to be purchased  
9 would be at a premium due to their excellent condition and low usage. *See Exhibit A-011-013*  
10 for the specific above-quoted Rouse<sup>3</sup> equipment valuations obtained.

11 GWA management considered other factors and costs to weigh the cost-benefit analysis,  
12 which included long-term savings, operational continuity to minimize disruptions to field work,  
13 and securing maintenance assurance agreements tied to the purchase terms. *See Exhibit A-006.*

14 In conjunction with the plans to purchase the lease equipment GWA management  
15 negotiated an extension to the lease agreement for three months at the original lease agreement  
16 rate of \$19,347.15 (Nineteen Thousand Three Hundred Forty-Seven and Fifteen Cents) per month  
17 or for a total of \$58,041.45 (Fifty-Eight Thousand Forty-One Dollars and Forty-Five Cents) to  
18 ensure operational continuity while the instant proceedings move forward. *See Exhibit A-010* for  
19 the 3-month lease extension agreement. The negotiated lease extension with Morrico Equipment  
20 will terminate should the equipment purchase be approved and finalized by the PUC prior to the  
21 end of the extension period. If this occurs the billing will be prorated based on the number of  
22 days, the lease is active.  
23  
24  
25  
26  
27

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28 <sup>3</sup> A Rouse evaluation is an appraisal of heavy equipment and can determine the market value for construction  
29 machinery. The Rouse evaluation is considered the gold standard for appraisal valuations, used equipment sales  
support, and rental metrics benchmarking. See [www.rouseservices.com](http://www.rouseservices.com)

CCU Resolution 04-FY2019 and GWA PUC Docket 19-07 did not include provisions for the purchase cost of the leased equipment or the expense of extending the lease for an additional three (3) months, which GWA management recently sought and received CCU approval for via CCU Resolution 19-FY2025.

## II. REQUEST FOR APPROVAL

Pursuant to its Contract Review Protocol, GWA hereby seeks the PUC's approval to purchase the three (3) tandem dump trucks, three (3) backhoe loaders and three (3) heavy-duty trailers for \$519,510.00 (Five Hundred Nineteen Thousand Five Hundred Ten Dollars) total and for the three (3) month extension of the lease in the amount of \$58,041.45 (Fifty-Eight Thousand Forty-One Dollars and Forty-Five Cents).

It is in GWA's best interest to exercise the option to purchase the following vehicles at the offered unit prices:

- **Three used 2020 Freightliner M2112 Dump Trucks** at \$109,796 each, totaling **\$329,388.00**; and
- **Three used 2019 New Holland B110C Backhoe Loaders** at \$49,817 each, totaling **\$149,451.00**; and
- **Three 2019 Felling FT-24-2 Trailers** at \$13,557 each, totaling **\$40,671.00**.

GWA's valuation has determined that Morrico's pricing is highly competitive and is within the current fair market value as the equipment is in good to excellent condition. Additionally, both the backhoes and the trailers feature either a premium condition OR include necessary functionalities and features that are accounted for in the final offered price to support long-term savings. Furthermore, GWA's purchase together with the lease extension at 2019 pricing will support savings and will ensure operational continuity with existing maintenance service agreements to minimize potential disruptions to GWA's field and on-site heavy equipment work.

1 In support of this Petition, the CCU adopted GWA Resolution 19-FY2025, approving the  
2 purchase of heavy equipment from Morrico Equipment, LLC in the amount of \$519,510.00 (Five  
3 Hundred Nineteen Thousand Five Hundred Ten Dollars) and for the three (3) month lease  
4 extension in the amount of \$58,041.45 (Fifty-Eight Thousand Forty-One Dollars and Forty-Five  
5 Cents). The negotiated lease extension will terminate should the equipment purchase be approved  
6 and finalized by the PUC prior to the end of the extension and the billing will be prorated based  
7 on the number of days the lease was active.  
8

9 GWA Resolution 19-FY2025 and its supporting exhibits are attached hereto as **Exhibit A**  
10 and are incorporated by reference as if fully set forth herein.  
11

### 12 **III. CONCLUSION**

13 Based on the foregoing, GWA requests the PUC's approval for the purchase of heavy  
14 equipment in the amount of Five Hundred Nineteen Thousand Five Hundred Ten Dollars  
15 (\$519,510.00) and for the three (3) lease extension in the amount of Fifty-Eight Thousand Forty-  
16 One Dollars and Forty-Five Cents (\$58,041.45) with Morrico Equipment, LLC as it is reasonable,  
17 prudent, and necessary.  
18

19  
20 **RESPECTFULLY SUBMITTED** this day of March 10, 2025.  
21

22 By: \_\_\_\_\_/s/\_\_\_\_\_  
23 **THERESA G. ROJAS, ESQ.**  
24 GWA Legal Counsel  
25  
26  
27  
28  
29



**GWA RESOLUTION NO. 19-FY2025**

**RELATIVE TO APPROVAL FOR THE GUAM WATERWORKS AUTHORITY TO  
PURCHASE LEASED HEAVY EQUIPMENT**

**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**, the CCU approved via Resolution 14-FY2019 for GWA Management to enter into a contract with Morrico Equipment, LLC to lease three (3) each 4-wheel drive backhoes, three (3) each heavy duty trailers and three (3) each tandem dump trucks for a five (5) year lease agreement in the amount of One Million One Hundred Sixty Thousand Eight Hundred Twenty-Nine Dollars (\$1,160,829.00); and

**WHEREAS**, the lease terms expired for the backhoes and one dump truck and trailer in January 2025 and will expire for two dump trucks and two trailers at the end of February 2025; and

**WHEREAS**, the lease agreement includes provisions granting GWA the option to purchase the leased equipment at fair market value upon lease expiration, as well as the option to acquire maintenance agreements for all purchased equipment; and

**WHEREAS**, GWA obtained detailed market valuation analysis to determine if purchasing the leased equipment at the price offered is fair and reasonable; and

1       **WHEREAS**, the market valuation for a 2020 Freightliner M2112 dump truck ranges  
2 from \$84,024.00 (auction) to \$120,049.00 (retail top quartile), with a midpoint value of  
3 \$100,060.00 therefore the proposed purchase price for each unit at \$109,796.00, is viewed as  
4 competitive given the good condition of the units relative to the mileage; and

5  
6       **WHEREAS**, the market valuation for a 2019 New Holland B110C Backhoe Loader  
7 ranges from \$17,706.00 (auction) and \$27,952.00 (retail top quartile), with a midpoint of  
8 \$21,770.00. While the proposed purchase of \$49,817.00 per unit may appear higher it reflects the  
9 inclusion of premium features such as an enclosed operator cab, a 4-in-1 multi-purpose bucket  
10 opening with plate compactor, hydraulic hammer, two buckets and mid-pressure hydraulic  
11 plumbing all of which justifies the premium; and

12  
13       **WHEREAS**, the market value for a 2019 Felling FT-24-2 Trailer is between \$8,728.00  
14 (auction) and \$10,769.00 (retail top quartile), with a midpoint of \$9,252.00 therefore the  
15 proposed purchase price of \$13,557.00 per unit. Purchasing the trailers at a premium is justified  
16 as they are in excellent condition with low usage, and seamlessly integrate with GWA's existing  
17 Freightliner dump trucks, eliminating the need for modifications or retraining personnel.; and

18  
19       **WHEREAS**, GWA management considered other factors to make a determination such  
20 as the cost-benefit analysis attached as EXHIBIT A, which demonstrates significant long-term  
21 savings, operational continuity to allow for no disruptions to field work, and maintenance  
22 assurance via maintenance agreement tied to purchase terms; and

23  
24       **WHEREAS**, GWA management has determined it is in GWA's best interest to exercise  
25 the option to purchase three (3) dump trucks at Three Hundred Twenty-Nine Thousand Three  
26 Hundred Eighty-Eight Dollars (\$329,388.00), three (3) backhoe loaders at One Hundred Forty-  
27 Nine Thousand Four Hundred Fifty-One Dollars (\$149,451.00) and three (3) trailers at Forty  
28 Thousand Six Hundred Seventy-One Dollars (\$40,671.00) to bring a total purchase price of Five  
29 Hundred Nineteen Thousand Five Hundred Ten Dollars (\$519,510.00); (SEE EXHIBIT B) and

1       **WHEREAS**, in conjunction with the plans to purchase the lease equipment GWA  
2 management had negotiated with Morrico Equipment an extension to the lease agreement for  
3 three months (SEE EXHIBIT C) at the original lease agreement rate of Nineteen Thousand Three  
4 Hundred Forty-Seven Dollars and Fifteen Cents (\$19,347.15) per month or a total of Fifty-Eight  
5 Thousand Forty-One Dollars and Forty-Five Cents (\$58,041.45) to ensure operational continuity  
6 while approval proceedings with the CCU and PUC to move forward; and  
7

8       **WHEREAS**, the negotiated lease extension with Morrico Equipment will terminate  
9 should the equipment purchase be approved and finalized by the CCU and Public Utilities  
10 Commission (PUC) prior to the end of the extension and the billing will be prorated based on the  
11 number of days the lease was active; and  
12

13       **WHEREAS**, GWA management seeks CCU approval to authorize the funding for the  
14 purchase of the leased equipment as Resolution 14-FY2019 did not include provisions for the  
15 purchase cost of the leased equipment or the expense of extending the lease for an additional  
16 three months; and  
17

18       **WHEREAS**, the funding source for the purchase of heavy equipment is revenue funds  
19 and/or Internally Funded Capital Improvements Projects funds; and  
20

21       **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities  
22 does hereby approve the following:

- 23           1. The recitals set forth above hereby constitute the findings of the CCU.
- 24           2. The CCU finds that the terms of the proposal relative to the option to purchase  
25           leased equipment by Morrico Equipment, LCC is fair and reasonable.
- 26           3. The CCU finds that the decision to extend the lease agreement for three  
27           months and purchase of the leased equipment is in the best interest of the  
28           territory of Guam and Guam Waterworks Authority
- 29           4. The CCU hereby authorizes GWA to proceed with the purchase three (3)  
30           dump trucks at Three Hundred Twenty-Nine Thousand Three Hundred  
31           Eighty-Eight Dollars (\$329,388.00), three (3) backhoe loaders at One



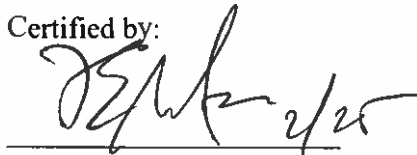
Hundred Forty-Nine Thousand Four Hundred Fifty-One Dollars (\$149,451.00) and three (3) trailers at Forty Thousand Six Hundred Seventy-One Dollars (\$40,671.00) to bring a total purchase price of Five Hundred Nineteen Thousand Five Hundred Ten Dollars (\$519,510.00).

5. The CCU hereby further authorizes GWA to extend the lease agreement with Morrico Equipment for three months at a cost of Fifty-Eight Thousand Forty-One Dollars and Forty-Five Cents (\$58,041.45).
6. The CCU hereby further authorizes the management of GWA to use revenue funds and/or Internally Funded Capital Improvements Projects funds to fund the lease extension and purchase of leased equipment.
7. GWA management is authorized to seek PUC approval for the additional cost associated to the purchase of the heavy equipment.

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

**DULY AND REGULARLY ADOPTED**, this 25<sup>th</sup> day of February 2025.

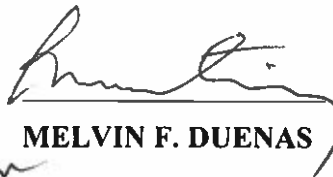
Certified by:



**FRANCIS E. SANTOS**

Chairperson

Attested by:



**MELVIN F. DUENAS**

Secretary

//

//

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//

**SECRETARY'S CERTIFICATE**

I, Melvin F. Duenas, 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:	<u>5</u>
NAYS:	<u>0</u>
ABSENT:	<u>0</u>
ABSTAIN:	<u>0</u>



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# **Exhibit A** **Cost Benefit Analysis** **for the Purchase or Lease of Backhoes and Dump Trucks**

## **Backhoe**

Category	Calculation	Cost for 3 Backhoes
Rental Cost (3 Years)	664.79 hours/year * \$75/hour * 3 backhoes * 3 years =	\$448,733
Purchase Cost (One-Time)	3 backhoes * \$43,217 =	\$129,651
Maintenance Cost (3 Years)	2.2 services/year * \$1000/service * 3 years * 3 backhoes =	\$59,400
Total Ownership Cost (3 Years)	\$129,651 (purchase) + \$59,400 (maintenance) =	\$189,051
<b>Savings (3 Years)</b>	<b>\$448,733 (rental) - \$189,051 (ownership) =</b>	<b>\$259,682</b>

## **Dump Truck**

Category	Calculation	Cost for 3 Dump Trucks
Rental Cost (3 Years)	1200 hours/year * \$100/hour * 3 dump trucks * 3 years =	\$1,080,000
Purchase Cost (One-Time)	3 dump trucks * \$105,096 =	\$315,288
Maintenance Cost (3 Years)	4 services/year * \$1,175/service * 3 years * 3 dump trucks =	\$42,300
Total Ownership Cost (3 Years)	\$315,288 (purchase) + \$42,300 (maintenance) =	\$357,588
<b>Savings (3 Years)</b>	<b>\$1,080,000 (rental) - \$357,588 (ownership) =</b>	<b>\$722,412</b>



197 Ypao Road, Tamuning Guam 96913  
671.649.1946  
morricoequipment.com



To : Christopher Budasi  
Guam Waterworks Authority

Email : [cbudasi@guamwaterworks.org](mailto:cbudasi@guamwaterworks.org)  
From : Paul Eustaquio

Date : February 3, 2025  
Pages : 1 of 3

**Re : Equipment Proposal "Used" Freightliner 18 CY Dump Truck / New Holland B110C Backhoe Felling FT 24-2 Trailer / Daemo B50 Demolition Hammer / Paladin TPC 350 Plate Compactor / Paladin TPC 1000 Plate Compactor**

Dear Mr. Budasi,  
We provide the following proposal for your review and consideration.

**Freightliner Dump Trucks**

**Used 2020 Freightliner M2112 18 CY Dump Truck : \$ 109,796.00**  
**Vin # 1FVMC5CV0LHLX4194**  
**Milage: 28,343 Miles**  
**12 Month Preventative Maintenance Service Contract**

**Used 2020 Freightliner M2112 18 CY Dump Truck : \$ 109,796.00**  
**Vin # 1FVMC5CV2LHLX4195**  
**Milage: 37,969 Miles**  
**12 Month Preventative Maintenance Service Contract**

**Used 2020 Freightliner M2112 18 CY Dump Truck : \$ 109,796.00**  
**Vin # 1FVMC5CV4LHLX4196**  
**Milage: 30,902 Miles**  
**12 Month Preventative Maintenance Service Contract**

**Felling FT24-2 Trailers**

**Used 2019 Felling FT 24-2 Trailer : \$ 13,557.00**  
**Vin # 5FTCF3227L1002022**

**Used 2019 Felling FT 24-2 Trailer : \$ 13,557.00**  
**Vin # 5FTCF322XL1002029**

**Used 2019 Felling FT 24-2 Trailer : \$ 13,557.00**  
**Vin # 5FTCF322XL1002029**

☐ TRASHCO GUAM ☐ DIESEL DELIVERY ☐ HEAVY EQUIPMENT

197 Ypao Road, Tamuning Guam 96913 morricoequipment.com



Exhibit A-007



197 Ypao Road, Tamuning Guam 96913  
671.649.1946  
morricoequipment.com



Re : Equipment Proposal "Used" Freightliner 18 CY Dump Truck / (Cont.) Page 2 of 3  
New Holland B110C Backhoe Felling FT 24-2 Trailer / Daemo B50 Demolition Hammer / Paladin TPC  
350 Plate Compactor / Paladin TPC 1000 Plate Compactor

**New Holland B110C Backhoes with Attachments**

Used 2019 New Holland B110C Backhoe : \$ 49,817.00

Vin # FNHB110BNZHH04007

Hours: 3,063 Hours

12 Month Preventative Maintenance Service Contract

Used 2019 Daemo B50 Demolition Hammer

Serial Number: 2422

Used 2019 Paladin TCP 350 Plate Compactor

Serial Number: 19-00102

Used 2019 New Holland B110C Backhoe : \$ 49,817.00

Vin # FNHB110BNZHH04061

Hours: 3,115 Hours

12 Month Preventative Maintenance Service Contract

Used 2019 Daemo B50 Demolition Hammer

Serial Number: 2427

Used 2019 Paladin TCP 1000 Plate Compactor

Serial Number: 19-00107

Used 2019 New Holland B110C Backhoe : \$ 49,817.00

Vin # FNHB110BNZHH04074

Hours: 2,714 Hours

12 Month Preventative Maintenance Service Contract

Used 2019 Daemo B50 Demolition Hammer

Serial Number: 2429

Used 2019 Paladin TCP 1000 Plate Compactor

Serial Number: 19-00119

☐ TRASHCO GUAM ☐ DIESEL DELIVERY ☐ HEAVY EQUIPMENT

197 Ypao Road, Tamuning Guam 96913

morricoequipment.com



Exhibit A-008



197 Ypao Road, Tamuning Guam 96913  
671.649.1946  
morricoequipment.com



Re : Equipment Proposal “Used” Freightliner 18 CY Dump Truck / (Cont.) Page 3 of 3  
New Holland B110C Backhoe Felling FT 24-2 Trailer / Daemo B50 Demolition Hammer / Paladin TPC  
350 Plate Compactor / Paladin TPC 1000 Plate Compactor

**Estimated Delivery:**

“In Stock Guam” Upon Order Confirmation  
Subject to Delivery Schedules

**Terms of Payment:**

As Per Government Purchase Order

**Quotation is Valid for 30 Days**

Please do not hesitate to contact me directly with any questions at [paul@morricoequipment.com](mailto:paul@morricoequipment.com) or I can be reached directly at (671)649-1946 or 483-0180.

Sincerely,

*Paul Eustaquio*

Heavy Equipment Sales  
Morricco Equipment LLC  
[paul@morricoequipment.com](mailto:paul@morricoequipment.com)  
Cell: 1 (671) 483-0180

Guam GWA Used Leased Equipment Proposal February 3 2025

**CUSTOMER: By signing below you are acknowledging the terms of this sale outlined herein.**

Purchaser agrees that this Quote includes all of the terms and conditions on the face hereof, that this Quote cancels and supersedes any prior agreement and as of the date of hereof comprises the complete and exclusive statement of the terms of the agreement relating to the subject matters covered hereby, and that THIS QUOTE SHALL NOT BECOME BINDING UNTIL ACCEPTED BY SELLER OR HIS AUTHORIZED REPRESENTATIVE, Purchaser by his/her execution of this Quote certifies that he/she is of legal age to execute binding contracts in this State and acknowledges that he/she has read its terms and condition and has received a true copy of this Quote.

SALESPERSON *Paul Eustaquio*  
Signature over printed name

PURCHASER \_\_\_\_\_  
Signature over printed name

AUTHORIZED *Jesse Munoz* Feb 03 2025  
SIGNATURE \_\_\_\_\_  
Signature over printed name

DATE \_\_\_\_\_

☐ TRASHCO GUAM ☐ DIESEL DELIVERY ☐ HEAVY EQUIPMENT

197 Ypao Road, Tamuning Guam 96913 [morricoequipment.com](http://morricoequipment.com)



Exhibit A-009



**GUAM WATERWORKS AUTHORITY**

Gloria B. Nelson Public Service Building | 688 Route 15, Mangilao, Guam 96913

P.O. Box 3010, Hagatna, Guam 96932

Tel. No. (671) 300-6846/48 Fax No. (671) 648-3290

February 3, 2025

Joel Lesh  
Vice President  
443 Marine Corps  
Tamuning, Guam 96913  
Tel: 671-649-1946  
Fax: 671-649-1947  
[Joel.lesh@morricoequipment.com](mailto:Joel.lesh@morricoequipment.com)

Re: Contract Extension for IFB 2018-12 Heavy Equipment Lease

Dear Mr. Lesh,

In accordance with Section 31 of the equipment lease and maintenance agreement between Guam Waterworks Authority and Morrico Equipment LLC:

31. Scope of Agreement. This Agreement is intended by the parties hereto to be the final expression of their Agreement, and it constitutes the full and entire understanding between the parties with respect to the subject hereof, notwithstanding any representations, statements, or agreements to the contrary heretofore made. Any items not covered under this contract will need to be added via written addendum and pricing negotiated based on final specifications

As such, GWA intends to exercise a three-month extension for the heavy equipment lease, beginning February 1, 2025, and ending on April 30, 2025, as part of the agreement terms.

Should the equipment purchase be approved and finalized by the Commission on Utilities (CCU) and the Public Utilities Commission (PUC) during this extension period, the lease will terminate, and billing will be prorated based on the number of days the lease was active.

If this extension is acceptable, please confirm by signing in the designated space below and returning the document to our office within ten (10) days.

Sincerely,

Miguel C. Bordallo, P.E.  
General Manager

\*\*\*\*\*

Vendor Signature

2. 10. 2025  
Date

ROUSE EQUIPMENT INSIGHTS

2019 New Holland B110B

70+ HP Backhoe Loaders

UNITED STATES


Rouse Valuations


	Retail Top Quartile	Retail	Wholesale	Auction
Market Average	\$32,240	\$29,798	\$25,298	\$20,422
Adjusted Value	\$27,952	\$25,835	\$21,933	\$17,706

CURRENCY: \$USD


MIDPOINT VALUE: \$21,770


VALUATION EFFECTIVE DATE: DECEMBER 07, 2024


SUGGESTED PRICE  
\$25,300


EXPECTED PRICE  
\$24,500

Value Adjustments

Region0.0%

Meter-7.7%

Configuration-6.0%

Condition0.0%

Machine Details

Meter	2,927 hrs
Region	National
ROPS Type	OROPS
Coupler Type	None or Mechanical
Hydraulic Package	Med pressure, plumbed
Bucket	Multi-purpose
Drive Type	4WD
Hoe Type	Standard Hoe
Condition	Good



ROUSE EQUIPMENT INSIGHTS

2020 Freightliner M2112    TA Dump Trucks


UNITED STATES

Rouse Valuations


	Retail Top Quartile	Retail	Wholesale	Auction
Market Average	\$112,015	\$108,326	\$94,081	\$78,400
Adjusted Value	\$120,049	\$116,096	\$100,830	\$84,024

CURRENCY: \$USD

MIDPOINT VALUE: \$100,060    VALUATION EFFECTIVE DATE: DECEMBER 07, 2024


Marketplace 


SUGGESTED PRICE  
\$95,100


 RITCHIE BROS.  
Auctioneers


EXPECTED PRICE  
\$84,000

Value Adjustments

 Region 0.0%

 Meter +7.2%

 Configuration 0.0%

 Condition 0.0%

Machine Details

Meter	27,088 mi
Region	National
Condition	Good

ROUSE EQUIPMENT INSIGHTS

2019 Felling FT-24-2 LP

Tag-Along Equipment Trailers

UNITED STATES


Rouse Valuations


	Retail Top Quartile	Retail	Wholesale	Auction
Market Average	\$10,769	\$9,775	\$9,147	\$8,728
Adjusted Value	\$10,769	\$9,775	\$9,147	\$8,728

CURRENCY: \$USD


MIDPOINT VALUE: \$9,252


VALUATION EFFECTIVE DATE: DECEMBER 07, 2024


SUGGESTED PRICE  
N/A


EXPECTED PRICE  
\$8,700

Value Adjustments

Region0.0%

Meter0.0%

Configuration0.0%

Condition0.0%

Machine Details

Meter	N/A
Region	National
Condition	Good