

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:

)
) GPA DOCKET 25-10
)

THE APPLICATION OF THE GUAM
POWER AUTHORITY TO APPROVE
THE MONTH TO MONTH
EXTENSION FOR PROFESSIONAL
PRINTING, MAILING, AND
PROCESSING SERVICES

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) PUC COUNSEL REPORT
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INTRODUCTION

1. This matter comes before the Public Utilities Commission ["PUC"] pursuant to the Guam Power Authority's ["GPA"] Petition to Enter into a Month-to-Month Extension for its Professional Printing, Mailing, Processing, and other Services due to Ongoing Litigation.¹
2. The PUC's May 30, 2024 Order in GPA Docket No. 24-17 which authorized GPA to extend the GPA-Graphic Center, Inc., ["Graphic Center"] Contract for Professional Printing, Mailing, Processing, and Other Services on a month-to-month basis for up to twelve (12) months or until GPA awards a new contract for those services will expire on or about May 30, 2025.²
3. GPA requests that the PUC approve a month-to-month extension of the contract after May 30, 2025, which, if the monthly extensions last for a one (1) year period, will cost \$400,000.³

BACKGROUND

4. On April 6, 2016, GPA entered into a five (5) year contract, which had a one (1) year initial term with four (4) one (1) year options to renew with Graphic Center to provide Professional Printing, Mailing, Processing, and Other Services. Under the contract, Graphic Center provided GPA with professional printing, mailing, and

¹ GPA Petition to Enter into a Month-to-Month Extension for its Professional Printing, Mailing, Processing, and other Services due to Ongoing Litigation, GPA Docket 25-10, dated April 4, 2025 [GPA Petition].

² GPA Petition at 2. NOTE: The page numbers in GPA's Petition and its exhibits are not continuous and the page numbers cited herein refer to the page number of the PDF version of the Petition which is continuous.

³ Id., at 3.

processing services for approximately fifty-thousand (50,000) electric power billings each month.⁴

5. The contract's initial one (1) year term has expired, and GPA has exercised all four (4) of its one (1) year options to renew. GPA has expended the total amount of \$1.42 million on the contract over this five (5) year period.⁵
6. Prior to the expiration of the contract's last one (1) year option to renew, GPA solicited for a new contract for professional printing, mailing, processing, and other services by issuing an Invitation for Bids ["IFB"] in December, 2020. GPA received one (1) bid in response to the IFB and GPA had to issue a second IFB due to the bid not meeting the IFB's requirements.⁶
7. As a result of the need to issue a second IFB and the expiration of the contract, GPA negotiated an eight-month extension of the contract so that the professional printing, mailing, processing, and other services GPA requires, especially for the billing of its fifty-thousand (50,000) customers, will continue without interruption until GPA procures a new contract. GPA estimated that the eight (8) month contract extension would cost \$300,000 which GPA would pay for using its revenue funds.⁷
8. On April 27, 2021, the Guam Consolidated Commission on Utilities ["CCU"] issued CCU Resolution No. 2021-10 authorizing GPA's management to exercise the month-month contract extension up to eight (8) months or until a new contract is awarded, whichever comes first, subject to the PUC's approval.⁸
9. On May 13, 2021, GPA issued GPA-RFP-21-002 (Professional Printing, Mailing, and Processing Services) [RFP].⁹
10. On June 7, 2021, GPA received three (3) offers and selected InfoSend as the most qualified offeror, GPA selected Graphic Center as the second most qualified offeror, and GPA rejected Moonlight BPO's offer.¹⁰

⁴ Id., at 1.

⁵ Id.

⁶ Id., at 2.

⁷ Id., at 1.

⁸ PUC Order dated May 30, 2024 in GPA Docket No. 24-17 at 2.

⁹ Id.

¹⁰ Id.

11. On July 29, 2021, in GPA Docket No. 21-11, the PUC issued an order authorizing GPA to exercise the month-month contract extension up to eight (8) months or until a new contract is awarded, whichever comes first.¹¹
12. On August 30, 2021 Graphic Center filed a procurement protest disputing GPA's evaluation process for the RFP and GPA denied the protest on October 7, 2021.¹²
13. On October 22, 2021 Graphic Center filed a procurement protest appeal with the Office of Public Accountability [OPA] alleging that absence of a demonstrated record and development system in InfoSend's offer should have resulted in Graphic Center being selected as the most qualified offeror.¹³
14. On March 25, 2022 the OPA issued its decision denying Graphic Center's appeal and on April 5, 2022 Graphic Center appealed the OPA decision in the Superior Court of Guam.¹⁴
15. On April 26, 2022, the CCU issued GPA Resolution No. 2022-20 authorizing GPA's management to exercise the month-month contract extension until a new contract is awarded, whichever comes subject to the PUC's approval.¹⁵
16. On May 23, 2022, in GPA Docket No. 22-14, the PUC issued an order authorizing GPA to exercise the month-month contract extension up to twelve (12) months or until a new contract is awarded, whichever comes first.¹⁶
17. On February 21, 2023 the CCU approved CCU Resolution No. FY2023-13 authorizing GPA's management to extend the contract on a monthly basis for up to twelve months, which GPA estimated will cost \$460,000, or until a new contract is awarded.¹⁷

¹¹ PUC Order dated July 21, 2021 in GPA Docket No. 21-11 at 4.

¹² PUC Order dated March 30, 2023 in GPA Docket No. 23-13 at 3.

¹³ Id.

¹⁴ Id.

¹⁵ PUC Order dated May 23, 2022 in GPA Docket No. 22-14 at 3.

¹⁶ Id., at 5.

¹⁷ PUC Order dated March 30, 2023 in GPA Docket No. 23-13 at 3.

18. On March 30, 2023, in GPA Docket No. 23-13, the PUC issued an order authorizing GPA to exercise the month-month contract extension up to twelve (12) months or until a new contract is awarded, whichever comes first.¹⁸
19. On January 23, 2024, the CCU approved GPA Resolution No. FY2024-15 authorizing GPA's management to extend the contract on a monthly basis for up to twelve months, which GPA estimated will cost \$420,000, or until a new contract is awarded.¹⁹
20. On May 30, 2024, in GPA Docket No. 24-17, the PUC issued an order authorizing GPA to exercise the month-month contract extension up to twelve months or until a new contract is awarded, whichever comes first. and it ordered GPA. if GPA requests another extension, to provide an accurate estimate of what it would cost GPA to perform these same services internally without contracting them out, or find an alternative billing solution, such as digital billing, that GPA can perform internally, and an estimated timeline for their implementation.²⁰
21. On October 29, 2024, the Superior Court of Guam issued a decision and order ruling in favor of GPA in part, and remanding the issue of whether the procurement record was sufficient back to the OPA and the OPA has yet to hold a hearing on this remanded issue.²¹
22. GPA has spent \$3 million on the contract and its extensions to date.²²
23. GPA estimates that it would incur \$209,000 in savings if it performed the printing services internally in lieu of contracting them and it has determined that it is not feasible to use digital billing as an alternative billing method because GPA's customers find hard copy bills more preferable.²³
24. On March 25, 2025, the CCU approved GPA Resolution No. FY2025-14 authorizing GPA's management to extend the contract on a monthly basis for up to twelve

¹⁸ Id., at 5.

¹⁹ PUC Order dated May 30, 2024 in GPA Docket No. 24-17 at 2.

²⁰ Id., at 6.

²¹ GPA Petition at 2.

²² Id.

²³ Id., at 2-2.

months, which GPA estimated will cost \$400,000, or until GPA's internal printing service is established, or until a new contract is awarded.²⁴

ANALYSIS

25. GPA must obtain the PUC's approval for any extension of the contract past May 30, 2025. Here, as set forth above, the PUC's May 30, 2024 Order in GPA Docket No. 24-17 only authorized GPA to exercise the month-month contract extension up to twelve (12) months or until a new contract is awarded, whichever comes first. Currently, the twelve (12) month period expires on May 30, 2025 and GPA has not been able to award a new contract due to Graphic Center's protest concerning the RFP, and the appeal to the OPA, the subsequent appeal of the OPA's decision to the Superior Court of Guam, and the Court's remand of the remaining issue regarding the sufficiency of the procurement record back to the OPA. Thus, GPA must obtain the PUC's authorization for the month-to-month extensions of the contract past May 30, 2025.
26. GPA's estimated \$400,000 cost of the month-to-month contract extensions, if they last for a one (1) year period, is reasonable. In GPA Docket No. 21-11 the PUC determined that GPE's estimated \$300,000 cost of the eight (8) month extension of the contract was reasonable because the average monthly cost of the original five (5) year term of the contract was approximately \$23,666.67 per month ($\$1,420,000 / 60 \text{ months} = \$23,666.67 \text{ per month}$) and the average estimated monthly cost of the extension per month was \$37,500, and albeit \$13,833 more per month than the initial term, the higher monthly cost of the contract extension was justified by the cost increases that occurred during the contract's original five (5) year term. In GPA Docket 22-14, GPA estimated that one (1) year of the month-to-month contract extensions will cost approximately \$25,000 per month ($\$300,000 / 12 \text{ months} = \$25,000$) and this amount was \$12,500 cheaper than the prior eight (8) months of contract extensions and only \$1,333.33 than the average monthly cost of the contract's original five (5) year term. In GPA Docket No. 23-13, GPA estimated that the twelve-month extension expiring on May 31, 2024 would cost \$38,333.33 per month ($\$460,000 / 12 \text{ Months} = \$38,333.33$). In GPA Docket No. 24-17, GPA estimated that the next twelve-month extension would cost \$35,000 per month ($\$420,000 / 12 \text{ Months} = \$35,000$), which is \$3,333.33 less per month than the twelve-month extension from 2023 to 2024. Here, GPA estimates that the next twelve-

²⁴ GPA Petition at 14.

month extension will cost \$33,333.33 ($\$400,000 / 12 \text{ Months} = \$33,333.33$), which is \$1,666.67 less per month than the twelve-month extension from 2024 to 2025. Hence, the cost decrease trend continues, and GPA's estimated \$400,000 cost of the month-to-month contract extensions, if they last for a one (1) year period, is reasonable.

27. The contract extension is prudent. GPA's plan to use the contract extension is a good one because it will prevent a gap in the professional printing, mailing, processing, and other services from occurring as a result of the application of the automatic stay imposed on the award of the RFP caused by the Graphic Center's protest, appeal to the OPA, and subsequent appeal of the OPA's decision to the Superior Court of Guam, and the Court's remand of the remaining issue of the sufficiency of the procurement record back to the OPA. GPA estimates that it would cost \$554,000 per annum to perform the bill printing, mailing, and processing internally and that this would require a full-time employee to oversee and process the billings daily, the leasing of equipment, supplies, materials, and postage. On February 11, 2025, GPA issued a solicitation for a high-volume color printer and is currently trying to implement internal bill printing services.²⁵ However, until GPA fully implements this, it will be dependent on the month-to-month extensions on its existing contract to perform the bill printing services. Accordingly, the contract extension is prudent.
28. The contract extension is necessary. GPA's ability to bill its customers as required will be adversely affected by a gap in its professional printing, mailing, processing, and other services. Specifically, until such time as GPA is capable of internally printing its bills and mailing them out, GPA must use a contractor to provide these services. Hence, a gap in these services will have an adverse effect on GPA's revenue stream and the contract extension is necessary to prevent this from occurring.
29. Based on the foregoing, GPA's contract extension with Graphic Center and the extension's \$400,000 cost is reasonable, prudent, and necessary, and the extension will prevent a gap from occurring in the professional printing, mailing, processing, and other services GPA relies on to print, mail, and process the fifty-thousand (50,000) or so electric power bills it sends out every month.

²⁵ GPA Petition at 14.

RECOMMENDATION

30. Counsel recommends that the PUC approve GPA's month-to-month contract extension with Graphic Center for the amount of \$400,000 for twelve months or until GPA's internal printing service is established, or until a new contract is awarded.
31. A Proposed Order is submitted herewith for the consideration of the Commissioners.

Dated this 17th day of April, 2025.

Anthony R. Camacho

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