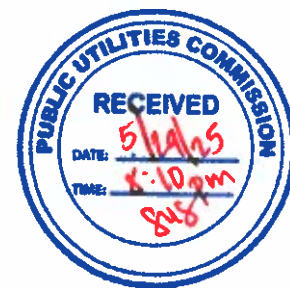


# GUAM PUBLIC UTILITIES COMMISSION

## REGULAR MEETING



April 24, 2025

SUITE 205, 241 FARENHOLT AVENUE, OKA BUILDING, TAMUNING, GUAM

## MINUTES

### 1. CALL TO ORDER

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:35 p.m. on April 24, 2025, pursuant to due and lawful notice. The meeting was called to order at 6:35 p.m. **Commissioners Jeffrey C. Johnson, Peter B. Montinola, Joseph M. McDonald, Michael A. Pangelinan, Doris Flores-Brooks, and Rowena Perez-Camacho were in attendance.** The following matters were considered at the meeting under the agenda included as Attachment "A" hereto.

### 2. APPROVAL OF MINUTES

The Chairman announced that the first item of business on the agenda was the approval of the minutes from the regular meeting held on March 27, 2025. Commissioner Montinola moved to approve the minutes, subject to corrections, which motion was seconded by Commissioner McDonald, and the motion was carried and passed unanimously.

The Chairperson announced that the next item of business on the agenda was a Port Authority of Guam matter:

### PORT AUTHORITY OF GUAM ("PAG")

### 3. **PAG Docket No. 25-02 - Petition for Review and Approval of Contract Award to BME & Sons, Inc. for IFB-PAG-CIP-024-004 Warehouse No. 1 Maintenance Project.**

The Commission then proceeded to review PAG Docket Number 25-02 concerning the Petition for the Warehouse Number 1 Maintenance Project. An Administrative Law Judge (ALJ) Report and Proposed Order were presented by ALJ Joephet Alcantara. ALJ Alcantara explained that the Port Authority of Guam (PAG) requested PUC's review and approval of a contract award for maintenance and repair work at Warehouse Number 1. The procurement process began in November 2024 with the issuance of IFB Number CIP024-004. Five bids were received, and the lowest responsive and responsible bid was submitted by BME and Sons in the amount of \$4,837,223.18.

The PAG Board of Directors had previously approved the contract, via Resolution 2025-10, and authorized PAG to seek PUC's review. ALJ Alcantara noted that because the contract exceeds \$1M and will be funded through bond revenues, it falls under PUC's jurisdiction. The warehouse, built in 1968 and covering approximately 54,000 square feet, was found to have extensive concrete cracks and spalls, deteriorating electrical and fire protection systems, and other safety issues. The scope of the project covers six main areas: architectural, structural, plumbing, fire protection, electrical, and project closeout. Specific work includes roof hatch replacement, downspout and wall repairs, concrete and roof slab repairs, new fire alarm systems, and comprehensive electrical work. The contract includes liquidated damages of \$1K per day for delays and has a term of 540 days.

Funding will be sourced from PAG's bond financing portfolio, and the project may also be eligible for FEMA reimbursement. ALJ Alcantara emphasized the urgency of the repairs given the building's condition and its use by Port employees and tenants. ALJ Alcantara concluded that the contract was necessary and prudent for the Port's operations and safety, recommending that the Commission approve the contract.

Following ALJ Alcantara's report, Mr. Dominic Muna, Deputy General Manager of Operations for PAG, addressed the Commission. He confirmed that approximately 80% of the warehouse is used by Port employees, but several bays had been vacated due to safety concerns, including mold. He provided background on the building's deterioration from its proximity to saltwater operations and expressed appreciation for the timely review. In response to Commissioner Flores-Brooks' inquiry, Mr. Muna confirmed that bond funds would still be available for other projects, with \$13M initially set aside for Hotel Wharf rehabilitation now redirected toward crane procurement.

Commissioner Perez-Camacho asked about the delay since the 2017 legislation. Mr. Muna explained that setbacks from COVID-19, Typhoon Mawar, and changes in project priorities contributed to the delay. PAG had to work with the Legislature to amend bond-related project restrictions to gain flexibility in fund use. It was clarified that while the financial management system was not originally included, Warehouse Number 1 had been identified in the bond plan, although at a lower initial estimate of \$2.3M. Adjustments were made in collaboration with GEDA and bond counsel.

Commissioner Pangelinan commended PAG's legal and procurement teams for conducting a clean and efficient bidding process, noting the absence of any protests despite five bidders. Mr. Muna confirmed that the process was smooth and attributed the success to their internal teams.

Following these discussions, Commissioner Pangelinan moved to approve the order selecting BME and Sons for the procurement. Commissioner Montinola seconded the motion and the motion passed unanimously.

## **GUAM POWER AUTHORITY ("GPA")**

### **4. GPA Docket No. 24-06: Notice of Contract Termination.**

Chairman Johnson introduced GPA Docket Number 24-06, concerning the notice of contract termination. While initially directed to CALJ Horecky, he noted he had not reviewed the matter. GPA's Legal Counsel Woloschuk clarified that the docket involved the Hanwha contract, which has officially been terminated. GPA received the development security in the amount of \$4,624,100.61 on April 16, and credited the funds back to Hanwha the following day. The funds were confirmed received by banks in New York on April 22 and 23, respectively, marking the contract as closed.

Commissioners expressed disappointment, with Commissioner Flores-Brooks requesting clarification on what led to the termination. Commissioner Flores-Brooks noted the contract had been a long-standing, complex process dating back to 2018. GPA's Legal Counsel Woloschuk explained that GPA made extensive efforts to work with Hanwha, including offering multiple options and regular communication. Ultimately, Hanwha missed a milestone deadline, prompting a notice of default and termination, likely due to the project no longer being economically viable for them.

When asked about the U.S. EPA's response, GPA's Legal Counsel Woloschuk explained that GPA had already communicated the development and proposed an alternative path via the KEPCO project, which is expected to replace the benefits initially offered by the Hanwha project. EPA was informed, but due to other priorities, EPA has not given the issue significant attention. GPA anticipates following up with EPA on a monthly basis.

There was further discussion on the \$4.6M development security. GPA's Legal Counsel Woloschuk stated the funds were transferred to GPA's account and moved again to prevent any possible reversal. GPA's CFO Mr. Kim confirmed the funds are set aside, though a specific use has yet to be determined.

Questions arose regarding GPA's next steps, especially concerning renewable energy contributions previously anticipated from the Hanwha project. GPA's Legal Counsel Woloschuk emphasized that the KEPCO project will provide 132MW—well above Hanwha's 41MW. Core Tech is also expected to add around 60MW, and new projects are expected to include battery storage. Projects from the Phase 4 IFB are in system impact study phases.

Commissioners then discussed progress at the Ukudu plant and the impact on Cabras 1 and 2 retirements. GPA's Legal Counsel Woloschuk clarified that reports of Ukudu starting operations in May were misleading. The plant is still undergoing commissioning, with a target operational date of September 15 (incentivized) and a final deadline of September 30. GPA's Asst. GM for Operations Jennifer Sablan further explained the testing

phases, noting that recent simple-cycle tests have contributed power to the grid and that extended testing could reduce fuel costs and load strain.

Discussion ensued around coordinating testing schedules with peak demand periods to maximize cost savings and prevent load shedding. Additional manpower for extended operation and testing was mentioned, with GPA providing compensation for such resources. Ms. Sablan noted that testing has already reached 145MW in simple-cycle mode, with combined-cycle guarantees set at 198MW. The team is working on balancing power input, testing requirements, and solar energy generation.

Chairman Johnson inquired about the risk of load shedding without Ukudu's contributions, to which Ms. Sablan confirmed there was concern—particularly as certain generating units were offline for maintenance and high temperatures were already impacting demand.

On the matter of Cabras retirement, Commissioner Perez-Camacho asked if GPA is still pursuing decommissioning with Ms. Sablan confirming that under the current consent decree, Cabras 1 and 2 must still be retired. GPA has been providing semi-annual updates to the EPA and is targeting the Ukudu commissioning in September. Following that, a 6-month shakedown period is expected, during which fuel reserves will be drawn down in preparation for decommissioning.

The discussion concluded with Chairman Johnson confirming that the Commissioners were satisfied with the updates.

**5. GPA Docket No. 25-07: Petition of the Guam Power Authority for Authorization to Procure Strategic Program Management Office for GPA's Future Projects.**

GPA's Legal Counsel Woloschuk raised GPA Docket No. 25-07 related to the SPMO, stating that following a discussion with PUC Legal Counsel Camacho earlier that day, GPA would like to again table the petition in order to revise it based on PUC Legal Counsel Camacho's recommendations. Chairman Johnson confirmed the matter would remain tabled.

**6. GPA Docket No. 25-10: Petition of the Guam Power Authority to Enter into a Month-to-Month Extension for its Professional Printing, Mailing, Processing and Other Services due to Ongoing Litigation.**

Chairman Johnson addressed the next agenda item, GPA Docket Number 25-10, the Petition of the Guam Power Authority to Enter into a Month-to-Month Extension for Professional Printing, Mailing, and Other Services Due to Ongoing Litigation. PUC Legal Counsel Anthony Camacho presented and offered a detailed history of the matter, explaining that GPA requires these services to distribute approximately 50,000 bills monthly and had put the contract out to bid. Legal Counsel Camacho noted that while a

new company, InfoSend, was selected, the incumbent, Graphic Center, filed a protest that was denied, followed by an appeal to the Office of Public Accountability (OPA), which sided with GPA. Subsequently, Graphic Center appealed to the Superior Court of Guam, where the judge largely sided with GPA but remanded one issue back to the OPA for further consideration, resulting in an automatic stay on procurement. Legal Counsel Camacho presented the request for another 12-month month-to-month extension with Graphic Center, estimated at \$400K, which he pointed out was approximately \$1,666.67 less per month than the previous extension. He highlighted that GPA is exploring internal printing capabilities and alternative digital billing procedures, as requested by the PUC in May of the previous year. Legal Counsel Camacho recommended the approval of the extension, deeming the cost reasonable and the contract prudent to avoid a disruption in GPA's billing cycle, which would negatively impact revenue. He also proposed a condition in the order specifying that the extension could be exercised on a month-to-month basis for up to 12 months, or until GPA's internal printing is established, or a new contract is awarded, whichever comes first.

GPA Legal Counsel Woloschuk confirmed the accuracy of Legal Counsel Camacho's summary and informed the board of a status hearing scheduled with the Public Auditor the following Friday regarding the remanded issue of potential material omissions from the record. Commissioner Montinola inquired about the consistency of the 50,000 bill estimate, to which GPA's CFO Mr. Kim responded that the number of printed bills is slightly decreasing as more customers opt for online viewing. Commissioner Montinola requested statistics on this migration to online billing. Mr. Kim clarified that while approximately 50,000 bills are printed, the number of generated PDF bills is over 53,000. Commissioner Montinola also questioned the cost-effectiveness of in-house printing versus the 66 cents per printed bill paid to Graphic Center, and the incentives for customers to switch to online billing, such as removing a potential paper bill fee, which Mr. Kim clarified GPA does not currently have. GPA's Asst. GM of Operations Jennifer Sablan addressed the interest in paperless billing but noted a significant number of customers still request paper copies at their offices, often due to social welfare program requirements. Ms. Sablan mentioned efforts to promote digital options through their app and online portal. Commissioner Flores-Brooks raised concerns about the length of the protest by Graphic Center, questioning if the original winning bidder, InfoSend, was still willing to take on the contract and the price difference. GPA's Legal Counsel Woloschuk and Mr. Kim recalled that InfoSend was selected based on qualifications, to include bill design and disaster recovery capabilities that Graphic Center lacked, in addition to a better price. Commissioner Flores-Brooks expressed her opinion that Graphic Center was benefiting from the prolonged protest. Commissioner McDonald inquired about programs to encourage digital billing adoption, to which Ms. Sablan detailed their customer engagement efforts, including surveys and social media promotion, while acknowledging the persistent preference for paper bills, sometimes even for the "Paid" stamp. Following further discussion, Commissioner Montinola moved to approve GPA Docket 25-10, which



was seconded by Commissioner McDonald, and the motion carried and was unanimously passed.

## **ADMINISTRATIVE MATTERS**

### **7. Update on Solicitation of Lease for Office Space.**

The board then transitioned to administrative matters, beginning with an update on the Solicitation of Lease for Office Space, as requested by Chairman Johnson. PUC Legal Counsel Anthony Camacho provided the latest information regarding the persistent elevator malfunctions at PUC's current office. He clarified that recent information, possibly from the Pacific Daily News (PDN), suggested the issue was not with the elevator mechanics themselves but rather with the structural integrity of the hoist mechanism located on the roof, which is an integral part of the building's infrastructure. Mr. Camacho expressed a lack of optimism for a swift resolution to this structural problem. Despite these ongoing issues, he noted that an oral agreement for cost offsets had been secured, acknowledging the PUC's long tenure at their present location. The immediate next step identified was to determine and implement the appropriate procurement methodology for soliciting new office space leases. Commissioner Montinola then inquired about the specifics of this procurement process, which Chairman Johnson indicated would be the subsequent topic of discussion.

### **8. Resolution No. 25-05: Relative to Approving the Guam Public Utilities Commission's Procurement Guidelines and Procedures.**

Chairman Johnson then addressed the next item on the agenda, Resolution Number 25-05, concerning the approval of the PUC's Procurement Guidelines. Chairman Johnson introduced the item and invited PUC Legal Counsel Anthony Camacho to present the updated document, which incorporated prior feedback. Legal Counsel Camacho detailed several key amendments. For micro-purchases, defined as those under \$10K, a qualification phase was introduced. This would involve the hearing officer examining statements of qualifications already on file. If sufficient qualifications were present, the hearing officer would attempt to negotiate a contract with the most qualified professional. If not, at least three statements of qualifications would be solicited to identify the most suitable candidate for negotiation at a fair and acceptable price. Failing an agreement, the process would proceed to the next most qualified. Legal Counsel Camacho highlighted the inclusion of multiple award language on page 6, explaining the concepts of incremental awards and multiple awards for indefinite quantity requirements, where more than one contractor could be engaged. He also noted a grammatical correction needed on the first page, paragraph 3(a)(3), where "F" should be changed to "If." Mr. Camacho emphasized that these guidelines would now permit the PUC to obtain three quotes for office space under the small purchase threshold of \$10K to \$250K.

Commissioner Montinola sought clarification on whether the office space quotes would be sourced from building owners directly or through realtors. Chairman Johnson and Legal Counsel Camacho confirmed that direct solicitation from various vendors was permissible.

Commissioner Flores-Brooks then raised a series of concerns and proposed amendments. Regarding the micro-purchase threshold, she advocated for requiring three quotes consistently with the small purchase category, expressing her reservations about relying on a single quote. Legal Counsel Camacho indicated his willingness to make this change. Commissioner Flores-Brooks also pointed out the outdated use of "Territory" within the document, suggesting its replacement with "PUC." Her most significant concern revolved around the \$250K threshold for small purchases. Given the PUC's approximate \$500K annual budget, she argued that this limit, representing half of PUC's funds, was excessively high and could undermine transparency by limiting the solicitation process to only three quotes, thereby potentially excluding other interested vendors who might not be directly contacted.

Chief ALJ Fredrick J. Horecky clarified that the PUC's administrative budget was around \$500K, but the fees for many consultants, including ALJs and legal counsel, were typically paid from the regulatory budget. Nevertheless, Commissioner Flores-Brooks maintained that a \$250K small purchase limit for general items lacked sufficient transparency. Chairman Johnson responded by highlighting the PUC's historical challenges in attracting qualified consultants and service providers, suggesting that the issue was more about finding suitable candidates than ensuring robust competitive bidding. He posited that the revised guidelines aimed to streamline the procurement process while still maintaining adequate openness. Commissioner Flores-Brooks remained unconvinced that the \$250K threshold aligned with the principle of transparency in government procurement.

Continuing her review, Commissioner Flores-Brooks directed attention to page 4, specifically Item IV. RFPs, subsection j, which referenced "RCOUG" in the context of proposal evaluation. Legal Counsel Camacho identified this as a typographical error that should read "PUC." She also inquired about the acceptable methods for submitting proposals, suggesting the inclusion of mail alongside delivery and digital submission. A significant point of discussion arose concerning the provision in section 9(c) stating that proposals would not be opened publicly. Commissioner Flores-Brooks expressed strong reservations about this, citing the importance of transparency and recalling the OPA's practice of at least announcing the names of the companies that had submitted bids. Legal Counsel Camacho explained that this was standard procedure for Request for Proposals (RFPs) under Guam procurement regulations, where non-public opening allows for evaluation committees to seek clarifications and engage in discussions with offerors. Commissioner Montinola proposed announcing the number of bids received, which Commissioner Flores-Brooks supported as a measure of transparency. Legal Counsel Camacho offered to incorporate language mirroring Guam's process of maintaining a registrar of proposals, which would be made public after the contract award.

Commissioner Flores-Brooks then addressed the sole source procurement guidelines in section 7, specifically number 2, which stated the PUC "shall solicit a quote from the sole source." She suggested a change to "shall advertise" to ensure broader awareness of the procurement need, even if only one qualified vendor was known. Examples of legitimate

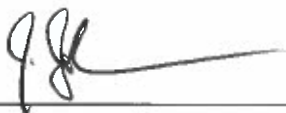
sole source procurements, such as proprietary software updates or specialized equipment parts, were discussed. Regarding the pre-qualified pool criteria on page 8, Commissioner Flores-Brooks sought clarification on the deadline for submitting required documents. Legal Counsel Camacho agreed to amend the language to "prior to the expiration of the published deadline" to avoid any ambiguity. On the topic of Price and Cost Analysis in section 10, Legal Counsel Camacho clarified the distinction between analyzing the reasonableness of a price and evaluating the individual cost components for allowability and eligibility, noting that the proposed PUC guidelines were simpler than the extensive regulations under Guam Procurement Law.

Moving to section 11 concerning appeals by aggrieved bidders, Commissioner Flores-Brooks questioned why digital submission of appeals was not permitted. Legal Counsel Camacho strongly advised against this due to potential issues with verification and receipt. She also inquired about the finality of the PUC Chairperson's decision on appeals, noting the absence of an appeal mechanism to the OPA. Legal Counsel Camacho explained that the PUC's designation as an independent rate-making authority under federal and local law meant it was not classified as a main government body under Guam Procurement Law, thus limiting appeals to the PUC's internal process, although legal challenges in the Superior Court remained a possibility. Commissioner Flores-Brooks expressed her philosophical disagreement but acknowledged the legal framework.

Regarding the appeal process timeline, Commissioner Flores-Brooks asked if the 10-working-day period for the PUC Chairperson to sustain or deny an appeal could be extended. Legal Counsel Camacho agreed to include language allowing for extensions at the Chairperson's discretion. Finally, the discussion returned to the small purchase threshold. Commissioner Perez-Camacho proposed a compromise by creating a separate category specifically for professional services and office space leases with the \$250K limit, while reducing the small purchase limit for other materials and services to \$150K. This was intended to address Commissioner Flores-Brooks' concerns about the high threshold for general purchases while recognizing the potentially higher costs associated with leases and the specialized nature of professional services. After further deliberation and clarifications, Commissioner Montinola moved to approve Resolution Number 25-05, contingent upon the discussed corrections and amendments. This motion was seconded by Commissioner Perez-Camacho and passed unanimously.

## **ADJOURNMENT**

There being no further business before the Commission, Commissioner Montinola moved to adjourn the meeting, which motion was duly seconded by Commissioner Pangelinan. The motion passed unanimously and the meeting was adjourned at 8:55 p.m.



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**Jeffrey C. Johnson**  
**Chairperson**



# **ATTACHMENT "A"**

## **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

*241 Farenholt Avenue, Oka Bldg.*

*2nd Floor, Suite 205*

*Tamuning, GU 96913*

### **REGULAR MEETING**

**April 24, 2025 at 6:30 p.m.**

### **AGENDA**

- 1. Call to Order**
- 2. Approval of Minutes of March 27, 2025 Regular Meeting**

### **PORT AUTHORITY OF GUAM**

- 3. PAG Docket No. 25-02:** Petition for Review and Approval of the Contract Award to BME and Sons, Inc. for IFB-PAG-CIP-024-004 Warehouse No.1 Maintenance Project; ALJ Report and Proposed Order.

### **GUAM POWER AUTHORITY**

- 4. GPA Docket No. 24-06:** Notice of Contract Termination.
- 5. GPA Docket No. 25-07:** Petition of the Guam Power Authority for Authorization to Procure Strategic Program Management Office for GPA's Future Projects; Legal Counsel Report and proposed Order.
- 6. GPA Docket No. 25-10:** Petition of the Guam Power Authority to Enter into a Month-to-Month Extension for its Professional Printing, Mailing, Processing and Other Services due to Ongoing Litigation; Legal Counsel Report and proposed Order.

### **ADMINISTRATIVE MATTERS**

- 7. Update on Solicitation of Lease for Office Space.**
- 8. Resolution No. 25-05: Relative to Approving the Guam Public Utilities Commission's Procurement Guidelines and Procedures.**

### **ADJOURNMENT**



**BEFORE THE PUBLIC UTILITIES COMMISSION**

<b>PETITION FOR APPROVAL OF</b>	)	<b>PAG DOCKET 25-02</b>
<b>AWARD TO BME &amp; SONS, INC.</b>	)	
<b>FOR THE MAINTENANCE PROJECT</b>	)	<b>ORDER</b>
<b>AT WAREHOUSE NO. 1 BY PORT</b>	)	
<b>AUTHORITY OF GUAM</b>	)	
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**INTRODUCTION**

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the April 2, 2025 Petition for approval of the contract award related to the Warehouse No. 1 Maintenance Project (the “Petition”), filed by the Jose D. Leon Guerrero Commercial Port, Port Authority of Guam (hereinafter referred to either “PAG” or the “Port”).

On April 21, 2025, the Administrative Law Judge of the PUC (the “ALJ”) assigned to this matter filed an ALJ Report that included his findings and recommendations based on the administrative record before the PUC. The ALJ found the following.

**DETERMINATIONS**

On November 25, 2024, PAG published Invitation for Bid No. IFB-PAG-CIP-024-004 (hereinafter referred to as the “IFB”), which sought the services of a contractor to maintain Warehouse No. 1.<sup>1</sup> In response to the IFB, five contractors submitted bids.<sup>2</sup> According to PAG, BME & Sons, Inc. (“BME & Sons”) was the lowest responsible and responsive bidder with a bid of Four Million Eight Hundred Thirty-Seven Two Hundred

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<sup>1</sup> Petition, p. 1.

<sup>2</sup> PAG Board Resolution No. 2025-10, p. 1 (Mar. 27, 2025).

Twenty-Three Thousand and 18/100 Dollars (\$4,837,223.18).<sup>3</sup> On March 27, 2025, PAG's Board of Directors issued Resolution No. 2025-10 ("Resolution No. 2025-10"), which approved PAG's contract award to BME & Sons and authorized PAG to petition the PUC for review and approval of the subject contract.<sup>4</sup>

**A. PAG's Contract Review Protocol**

Pursuant to 12 G.C.A. §12105, PAG may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC's express approval. Accordingly, pursuant to PAG's current Contract Review Protocol, "[a]ll professional services contracts in excess of \$1,000,000" and "[a]ll externally funded loan obligations and other financial obligations, such as lines of credit, bonds, etc., in excess of \$1,000,000, and any use of such funds" "shall require prior PUC approval . . . ." Contract Review Protocol, PAG Docket 09-01, p. 1 (June 20, 2011). The subject contract is rightfully before the Commission since the contract both exceeds \$1,000,000.00 and will be funded by bond revenues.

**B. Scope of Work, Proposed Contract, Cost and Funding**

Based on a 2023 Determination of Need, Warehouse No. 1 was constructed in 1968, and is comprised of an area of about 54,000 square feet.<sup>5</sup> In the Determination of Need, the General Manager indicated that "[c]oncrete cracks and spalls can be seen throughout the building"; and that structural repair work is required to "protect the integrity of the building", as well as reduce further deterioration" of the building.<sup>6</sup> The

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<sup>3</sup> Petition, p. 1.

<sup>4</sup> PAG Board Resolution No. 2025-10, p. 1 (Mar. 27, 2025).

<sup>5</sup> Determination of Need, by Rory Respicio, General Manager, p. 1 (July 26, 2023).

<sup>6</sup> Determination of Need, by Rory Respicio, General Manager, p. 1.

General Manager further noted that the building's electrical and fire protection systems have become a "safety hazard" owing to the corrosion and deterioration of "vital system components."<sup>7</sup> Accordingly, the pipes and sprinkler heads need replacing.

The Determination of Need indicates that Warehouse No. 1 serves as an office and a workspace for PAG employees and tenants.<sup>8</sup> Therefore, the current structure is in dire need of maintenance to ensure the safety of all personnel occupying the building.<sup>9</sup> Indeed, PAG has indicated that the purpose of the IFB is to "provide a safe, secure and efficient working environment for all who work in and around Warehouse No. 1 as this building is over 40 years old and exposed to the harsh environmental elements in our industry and in its current location."<sup>10</sup>

**1. Scope of Work and Other Contract Provisions**

The scope of work is comprised of six areas: (1) architectural; (2) structural; (3) fire protection; (4) plumbing; (5) electrical; and (6) close-out.<sup>11</sup> The scope of work involves the structural repair of existing cracks and spalls on the concrete due to salt water, which has affected the overall structural integrity of the building.<sup>12</sup> The project also involves electrical repairs, which include replacing and relocating any corroded and damaged

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<sup>7</sup> Determination of Need, by Rory Respicio, General Manager, p. 1.

<sup>8</sup> Determination of Need, by Rory Respicio, General Manager, p. 1.

<sup>9</sup> Determination of Need, by Rory Respicio, General Manager, p. 1.

<sup>10</sup> Notification of Procurement Over \$500,000 for IFB-PAG-CIP-024-004 Warehouse 1 Maintenance Project, addressed to the Attorney General of Guam, p. 4. (Apr. 19, 2024).

<sup>11</sup> IFB, p. 40.

<sup>12</sup> IFB, pp. 3, 93.

electrical components; and replacing the existing fire protection system so that the building can be safely occupied.<sup>13</sup>

Particularly, with respect to architectural work, the contractor must remove and replace two roof top access hatch assemblies, and apply epoxy coating to the new roof hatch.<sup>14</sup> Other work includes the removal and replacement of all metal downspouts, metal straps, and roof drains; the demolition and replacement of walls along “grid line A”, between “grid line 3 and 5”; and the removal and refurbishing of roof vents located over Bay 1, Bay 3, and Bay 14.<sup>15</sup> The contractor will also be required to paint all the exterior and interior walls, including beams, columns, and ceilings; and apply silicone roof coating and provide treatment for all roof joints; and apply two coats of epoxy primer and two coats of epoxy finish paint on all roof vents.<sup>16</sup>

With respect to structural work, the contractor must repair cracks and spalls along the walls, roof slabs, beams, columns, and other reinforced concrete members of the building.<sup>17</sup> In addition, it must demolish and replace existing walls along “grid line A”; and repair the concrete around the roof vent openings as required.<sup>18</sup>

Plumbing work will include the removal and disposal of the emergency eye wash and shower area; the installation of new eye wash and showers; the removal and disposal

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<sup>13</sup> IFB, pp. 4, 93.

<sup>14</sup> Scope of Work, p. 4.

<sup>15</sup> Scope of Work, p. 4.

<sup>16</sup> Scope of Work, p. 4.

<sup>17</sup> Scope of Work, pp. 3-4.

<sup>18</sup> Scope of Work, pp. 3-4.



of the 6-inch diameter downspout and siphonic-type roof drain; and the installation of a new 6-inch diameter downspout and siphonic-type roof drain.<sup>19</sup>

The fire protection work involves the removal and replacement of the existing fire sprinkler system, including piping, fittings, pipe supports and other appurtenances, for a complete usable system.<sup>20</sup> The contractor will also be required to provide a new fire alarm system, and obtain any required permits for this new fire protection system.<sup>21</sup>

With respect to electrical work, the contractor must remove and replace all electrical panels, transformers, switches, conduits, feeders, power supply, lighting and appurtenances identified in the electrical plans; and provide a new supply of power, complete with cables and conduits for the main feeder, lighting for the interior and exterior of the building.<sup>22</sup> While it completes this work, the contractor must also provide any backup power to minimize any downtime during the construction.<sup>23</sup> Work for closing-out the project will include the disposal of all debris and trash to appropriate disposal sites.<sup>24</sup>

As is regularly the case, the contractor will be subject to liquidated damages (of \$1,000.00) for each calendar day the work remains incomplete after five hundred and forty (540) days from the date of the Notice to Proceed.<sup>25</sup> In addition, the agreement contains

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<sup>19</sup> Scope of Work, p. 5.

<sup>20</sup> Scope of Work, p. 4.

<sup>21</sup> Scope of Work, p. 5.

<sup>22</sup> Scope of Work, p. 5.

<sup>23</sup> Scope of Work, p. 5.

<sup>24</sup> Scope of Work, pp. 5-6.

<sup>25</sup> IFB, p. 71.

the usual termination for convenience provision in favor of PAG, whereby the contract may be terminated at the convenience of either PAG or the Government of Guam.<sup>26</sup>

## 2. Cost Breakdown

Based on the bid submitted by BME & Sons, the contractor provided the following pricing:

**Project Title: Warehouse 1 Building Maintenance Project**

Bid Schedule					
Item	Description	Quantity	Unit	Unit Cost	Extended Cost
1	Administrative Works	1	LS	561,300.19	561,300.19
2	Structural Works	1	LS	117,322.51	117,322.51
	Spall Repair	1,513.57	CF	292.92	443,357.37
	Crack Repair	2,007.72	LF	55.18	110,789.08
3	Architectural Works	1	LS	257,212.10	257,212.10
4	Electrical Works	1	LS	1,666,355.01	1,666,355.01
5	Plumbing Works	1	LS	26,580.73	26,580.73
6	Fire Protection Works	1	LS	1,107,348.57	1,107,348.57
7	Exterior & Interior Painting	1	LS	222,173.52	222,173.52
8	Silicone Roof Coating	1	LS	324,784.09	324,784.09
	<b>Total</b>				<b>4,837,223.18</b>

All amounts include the costs associated with materials, tools, equipment, overhead, profit, and tax.

## 3. Contract Term and Funding

Pursuant to the terms of the agreement, the contractor is required to complete the project within five hundred and forty (540) calendar days from the issuance of a Notice to Proceed by the Port.<sup>27</sup> The project will be funded by PAG's Bond Funding Program. Indeed, this project was one specifically identified in PAG's bond financing portfolio as a capital improvement project to be funded by bond revenues.<sup>28</sup> According to PAG,

<sup>26</sup> IFB, p. 72.

<sup>27</sup> IFB, p. 71.

<sup>28</sup> Notification of Procurement Over \$500,000 for IFB-PAG-CIP-024-004 Warehouse 1 Maintenance Project, addressed to the Attorney General of Guam, p. 4. (Apr. 19, 2024).

installment payments shall be made in phases of project completion for the duration of the contract.

**4. Resolution No. FY2025-12**

The instant Petition is supported by Resolution No. 2025-10 issued by PAG's Board of Directors. The Board found that all the necessary requirements for the procurement had been met; that BME was properly determined to be the lowest responsible and responsive bidder at \$4,837,223.18; and that PAG's estimate for the project was \$4.215 million, a difference of about \$622,000. The Board therefore authorized the award to BME & Sons and directed that PAG transmit the contract to the PUC for review and approval.

**RECOMMENDATION AND CONCLUSION**

As the record indicates, Warehouse No. 1 was constructed in 1968, and as a result of age and salt damage, "[c]oncrete cracks and spalls can be seen throughout the building."<sup>29</sup> It is clear that structural repair work is required to "protect the integrity of the building", as well as reduce further deterioration".<sup>30</sup> In addition, the building's electrical and fire protection systems have become a "safety hazard" owing to the corrosion and deterioration of "vital system components",<sup>31</sup> requiring replacement of the pipes and sprinkler heads. Since Warehouse No. 1 serves as an office and a workspace for PAG employees and tenants, the current structure is in dire need of immediate maintenance to ensure the safety of all personnel occupying the building.<sup>32</sup>

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<sup>29</sup> Determination of Need, by Rory Respicio, General Manager, p. 1.

<sup>30</sup> Determination of Need, by Rory Respicio, General Manager, p. 1.

<sup>31</sup> Determination of Need, by Rory Respicio, General Manager, p. 1.

<sup>32</sup> Determination of Need, by Rory Respicio, General Manager, p. 1.

The ALJ found that is contract is therefore prudent and necessary to prevent further deterioration of the building and eradicate the risk of concrete shedding and falling from its structures; and to ensure a safe working environment for the Port's personnel, as well as its tenants and users.

The ALJ further found that the use of bond revenue is appropriate since this particular project was expressly identified as a bond-funded project, which was approved by the PUC and the Guam Legislature. Indeed, the Guam Legislature expressly found that in order for the Port to "transform" into a "world-class terminal" for the region, the Port must "increase capacity, execute infrastructure development, and undertake Port expansion to meet the community's needs." P.L. 34-70, p. 2 (Dec. 5, 2017) Accordingly, to achieve this vision, the Guam Legislature authorized the issuance of system revenue bonds to fund certain capital improvement projects, which include the repair of the Warehouse 1 building. *See* P.L. 34-70, p. 2 (Dec. 5, 2017).

Based on the record before the Commission, the ALJ found that the subject contract had undergone a thorough competitive bidding process; and therefore the resulting cost is reasonable based on higher pricing submitted by other bidders; and that the contract is necessary to the Port's expansion and modernization. Accordingly, the ALJ recommended that the PUC approve the proposed contract with BME & Sons, at a cost of \$4,837,223.18.

The Commission hereby adopts the findings in the April 21, 2025 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. That PAG is authorized to award the contract for the Warehouse No. 1 Maintenance Project to BME & Sons, Inc., at a total cost of \$4,837,223.18.
3. PAG 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. §§ 12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

[SIGNATURES TO FOLLOW ON NEXT PAGE]




**SO ORDERED** this 24<sup>th</sup> day of April, 2025.

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**JEFFREY C. JOHNSON**  
Chairman

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**ROWENA E. PEREZ-CAMACHO**  
Commissioner

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**JOSEPH M. McDONALD**  
Commissioner

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**MICHAEL A. PANGELINAN**  
Commissioner

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**PETER MONTINOLA**  
Commissioner

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**DORIS FLORES BROOKS**  
Commissioner

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**MARIANNE WOLOSCHUK**  
Legal Counsel  
Guam Power Authority  
Gloria B. Nelson Public Building  
688 Route 15  
Mangilao, Guam 96913  
Telephone: (671) 648-3203  
Fax No. (671) 648-3290  
Email: [mwołoschuk@gpagwa.com](mailto:mwołoschuk@gpagwa.com)

*Attorney for Guam Power Authority*

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF:**

**GPA DOCKET NO. 24-06**


**HANWHA ENERGY CORPORATION'S  
RENEWABLE ENERGY ACQUISITION  
POWER PURCHASE AGREEMENT**

**NOTICE OF CONTRACT  
TERMINATION**

The Guam Power Authority (GPA) hereby notifies the Guam Public Utilities Commission that, as of March 10, 2025, GPA's contract with HEC Guam A, LLC (Hanwha), which encompasses a Renewable Energy Purchase Agreement and an Interconnection Agreement, has been terminated. Hanwha failed to meet the February 28, 2025, Solar Module Order Placement milestone deadline. Hanwha was given notice and opportunity, but did not cure the default.

Dated March 21, 2025.

*Attorney for Guam Power Authority*

By:   
Marianne Woloschuk  
GPA Legal Counsel



**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**

**ORDER**

**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.<sup>1</sup>
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.<sup>2</sup>
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.<sup>3</sup>

**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

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<sup>1</sup> 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].

<sup>2</sup> 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.

<sup>3</sup> Id., at 3.

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

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.<sup>5</sup>
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.<sup>6</sup>
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.<sup>7</sup>
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.<sup>8</sup>
9. On May 13, 2021, GPA issued GPA-RFP-21-002 (Professional Printing, Mailing, and Processing Services) [RFP].<sup>9</sup>
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.<sup>10</sup>

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<sup>4</sup> Id., at 1.

<sup>5</sup> Id.

<sup>6</sup> Id., at 2.

<sup>7</sup> Id., at 1.

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

<sup>9</sup> Id.

<sup>10</sup> 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.<sup>11</sup>
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.<sup>12</sup>
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.<sup>13</sup>
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.<sup>14</sup>
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.<sup>15</sup>
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.<sup>16</sup>
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.<sup>17</sup>

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

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

<sup>13</sup> Id.

<sup>14</sup> Id.

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

<sup>16</sup> Id., at 5.

<sup>17</sup> 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.<sup>18</sup>
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.<sup>19</sup>
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.<sup>20</sup>
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.<sup>21</sup>
22. GPA has spent \$3 million on the contract and its extensions to date.<sup>22</sup>
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.<sup>23</sup>
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

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<sup>18</sup> Id., at 5.

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

<sup>20</sup> Id., at 6.

<sup>21</sup> GPA Petition at 2.

<sup>22</sup> Id.

<sup>23</sup> 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.<sup>24</sup>

25. On April 17, 2025, PUC Legal Counsel issued his report recommending 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.

### **DETERMINATIONS**

26. 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.
27. 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

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<sup>24</sup> GPA Petition at 14.

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-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.

28. 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.<sup>25</sup> 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.
29. 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.

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<sup>25</sup> GPA Petition at 14.

30. 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.

### **ORDERING PROVISIONS**

After review of the record herein, GPA's Petition to approve the month-to-month extension of the GPA-Graphic Center Contract, and the PUC Legal Counsel Report, and for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. The extension of the GPA-Graphic Center Contract is approved, and GPA may exercise the month-to-month contract extension up to twelve (12) months, or until GPA's internal printing service is established, or until a new contract is awarded, whichever comes first.
2. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

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Order  
GPA's Application to Approve the  
Contract Extension for Professional  
Printing, Mailing, and Processing Services  
GPA Docket 25-10  
April 24, 2025


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Dated this 24th day of April, 2025.




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Jeffrey C. Johnson  
Chairman



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Rowena E. Perez-Camacho  
Commissioner



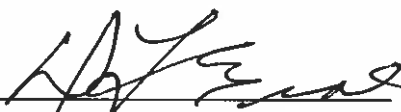
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Michael A. Pangelinan  
Commissioner



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Joseph M. McDonald  
Commissioner



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Doris Flores Brooks  
Commissioner



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Peter Montinola  
Commissioner



# GUAM PUBLIC UTILITIES COMMISSION

Jeffrey C. Johnson  
Chairman

Peter B. Montinola  
Vice Chairman

Commissioners  
Joseph M. McDonald  
Michael A. Pangelinan  
Rowena E. Perez-Camacho  
Doris Flores-Brooks

Suite 207, GCIC Building  
Post Office Box 862  
Hagåtña, Guam 96932  
Telephone: (671) 472-1907  
Fax: (671) 472-1917  
Email: info@guampuc.com

Lourdes R. Palomo  
Administrator

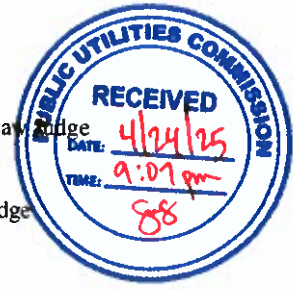
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Marie M. Leon Guerrero  
Administrator-in Training  
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Sheila M. Salas  
Administrative Assistant

Frederick J. Horecky  
Chief Administrative Law Judge

Joephet R. Alcantara  
Administrative Law Judge

Anthony R. Camacho  
Legal Counsel



## BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

### RESOLUTION NO. 25-05

#### RELATIVE TO APPROVING THE GUAM PUBLIC UTILITIES COMMISSION PROCUREMENT GUIDELINES AND PROCEDURES

**WHEREAS**, pursuant to 12 G.C.A. §12102, the Guam Public Utilities Commission (PUC) is public corporation and autonomous instrumentality of the Government of Guam; and

**WHEREAS**, pursuant to 5 G.C.A. §5004(b), Guam Procurement Law applies to expenditures of public funds by Guam acting through a governmental body; and

**WHEREAS**, pursuant to 5 G.C.A. §5030(k) and 2 G.A.R., Div. 4, Chap. 1, §1106(11), the term “governmental body” as used in Guam Procurement Law and regulations means any Department, Commission, Council, Board, Bureau, Committee, Institution, Agency, Government Corporation, Authority or other establishment or establishment or official of the **Executive Branch** of the Government of Guam (Bold Emphasis Added); and

**WHEREAS**, the PUC is not a “governmental body” to which Guam Procurement Law and Regulations apply because, pursuant to 48 U.S.C. §1428a and Section 1, P.L. 26-18 (June 5, 2001), the PUC is an independent rate-making authority for the Government of Guam which is independent of the Executive and Legislative Branches; and

**WHEREAS**, pursuant to 12 G.C.A. §12105(g), the PUC has the power to enter into contracts and execute all instruments necessary or convenient in the exercise of its powers, and the PUC requires the adoption of procurement guidelines and procedures to ensure the uniform, consistent, and fair execution of the PUC’s internal contracting operations.

**NOW THEREFORE BE IT RESOLVED** that the attached Procurement Guidelines and Procedures are hereby adopted and shall be effective immediately.

**DULY AND REGULARLY ADAPTED ON THIS 24<sup>TH</sup> DAY OF APRIL, 2025 BY:**

Dated: April 24, 2025

  
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**JEFFREY C. JOHNSON**  
PUBLIC UTILITIES COMMISSION  
Chairman

Dated: April 24, 2025

  
\_\_\_\_\_  
**PETER MONTINOLA**  
PUBLIC UTILITIES COMMISSION  
Commissioner

Dated: April 24, 2025

  
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**JOSEPH M. MCDONALD**  
PUBLIC UTILITIES COMMISSION  
Commissioner

Dated: April 24, 2025

  
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**MICHAEL A. PANGELINAN**  
PUBLIC UTILITIES COMMISSION  
Commissioner

Dated: April 24, 2025

  
\_\_\_\_\_  
**ROWENA E. PEREZ-CAMACHO**  
PUBLIC UTILITIES COMMISSION  
Commissioner

Dated: April 24, 2025

  
\_\_\_\_\_  
**DORIS FLORES BROOKS**  
PUBLIC UTILITIES COMMISSION  
Commissioner

## **PUBLIC UTILITIES COMMISSION OF GUAM PROCUREMENT GUIDELINES AND PROCEDURES**

**1. General Policy.** In accordance with 48 U.S.C. §1428a and Section 1, P.L. 26-18 (June 5, 2001), the Public Utilities Commission of Guam (PUC) is an independent rate-making authority for the Government of Guam which is independent of the Executive and Legislative Branches and hereby adopts and implements these Procurement Guidelines and Procedures to ensure that persons engaging in purchasing and purchasing-related activities for the PUC shall conduct their business dealings efficiently, fairly, and in a manner that will encourage broad based competition for the supplies and services being purchased by the PUC.

**2. Procurement Officer.** The PUC Administrator will serve as the PUC's Procurement Officer. The Procurement Officer ensures that PUC purchases follow these Guidelines and Procedures. The PUC's Chief Administrative Law Judge will serve as a resource in providing advice on proposals, bids and identification of vendors, when requested.

### **3. Micro-purchase and Small Purchase.**

#### **a. Micro-purchase: \$10,000 and below.**

(1). Requirement: The Procurement Officer must solicit for three quotes. This generally requires that specifications be emailed or faxed to at least three vendors. Award shall be made to the lowest responsible and responsive quote.

(2). Acceptable Quote Documentation: (a) Facsimile quote; (b) Written quote provided by vendor; (c) Memo documenting oral quotation by vendor – must include vendor name, vendor representative, date and amount of quote, or (d) Internet printout of price list. If asked by the PUC Procurement Officer, the prospective vendor is responsible for showing their price is reasonable.

#### **b. Small purchase: between \$1.00 and \$250,000 for Professional Services and Office Space, and between \$10,001 and \$150,000 for all other purchases.**

(1). Requirement: Require no less than three written quotes from vendors. This generally requires that specifications be emailed or faxed to at least three vendors. Award shall be made to the lowest responsible and responsive bidder.

(2). Acceptable Quote Documentation: (a) Facsimile quotes, (b) Written quotes provided by vendors, (c) Internet printout of three price lists, or (d) Facsimile or email confirmation to show solicitation was sent to a non-responsive vendor.

(3). Professional Services: The following procedure shall be used if it is expected that the services of accountants, lawyers, architects, engineers, land surveyors, or other professionals are being procured:

(a). Examination for Qualifications and Negotiations: Before contacting any person to perform the required services, the Procurement Officer shall examine any current statements of qualifications on file with the PUC. Based on this examination, the Procurement Officer shall contact the most qualified

firm or professional and attempt to negotiate a contract for the required services at a fair and reasonable price.

(b). Technical Proposals or Statements of Qualification: If no current statements of qualifications are on file or the statements on file are inadequate to determine the most qualified firm or professional, technical proposals or statements of qualifications shall be solicited as follows:

(i). A minimum of three firms or professionals should be considered unless there are only one or two qualified firms or professionals; in the latter case, the Procurement Officer may consider only one or two firms.

(ii). A price or fee shall not be solicited until the most qualified firm or professional is chosen and only the most qualified firm or professional will be requested to submit a price.

(iii). If after negotiations, a fair and reasonable price cannot be agreed to, negotiations will be terminated with such firm or professional and negotiations begun with the next most qualified firm or professional. The process shall continue until a contract can be negotiated at a fair and reasonable price to the PUC.

**c. Procedures for Micro-purchase and Small Purchase Thresholds.**

(1). PUC Procurement Officer determines, based upon instructions from the PUC, what supplies or services are needed.

(2). PUC Procurement Officer solicits required number of quotes and selects a vendor for purchases falling under the micro-purchase and small purchase thresholds and issues a purchase order or contract.

(3). PUC Procurement Officer creates on-line requisition order and creates a procurement file for the micro-purchase or small purchase.

**4. Competitive sealed bidding for Purchases above \$250,000 for Professional Services and Office Space, and above \$150,000 for all other purchases.**

**a. Requirement:** Invitation for Bid (IFB) shall be mailed, emailed, or furnished to a sufficient number of vendors to secure competition. Competitive bidding shall follow the following Sealed Bid Process:

**(1). Acceptable IFB Documentation:** Sealed bid packages received by PUC Procurement Officer.

**(2). Public Notice:** Bids above \$250,000 must be afforded adequate public notice at least Fifteen (15) days before the bid due date. Bids must be solicited from an adequate number of known suppliers. Vendors have (15) working days to respond from the date of notice (unless unusual circumstances prevail; reason must be documented). The IFB must be advertised in a Guam newspaper and posted on the PUC website fifteen (15) days before the due date and must include:

(a). A statement requiring bidders to include their contact information in their bids.

(b). Specifications and pertinent attachments.

(c). A description of the items or service being solicited sufficient to allow potential bidders to submit bids in response to the IFB.

(d). A bid submission deadline and award decision timeline.

(e). A statement that only written bids will be accepted and can be: (i) hand delivered; (ii) mailed to the address on the IFB; or (iii) emailed to the email address indicated on the IFB.

**(3). Late Bids:** Bids submitted after the bid submission deadline will not be accepted.

**(4). Pre-Bid Conferences:** Pre-bid conferences may be scheduled and, if scheduled, Pre-bid conference information will be contained in the bid packet or an amendment to the bid packet.

**(5). Extension of Bid Submission Deadline:** The PUC Procurement Officer may extend the deadline for bid submission beyond 15 days of public notice. Deadline extension must be documented and posted on the PUC website.

**(6). Receipt and Handling of IFB submissions:**

(a). Hard copies of the bids and modifications thereof shall: (1) For bids hand delivered or mailed to the PUC's office, be time stamped upon receipt and held in a secure place until the established due date; or (2) For digital copies of bids emailed to the PUC, the date and time of the PUC's receipt of the emailed bid shall serve as the official submission date and time and the documents will be downloaded and held in a secure place until the established due date.

(b). Bids must be opened publicly at a location specified in the IFB. The bids shall be opened, recorded, and evaluated.

**d. Evaluation and Award Process.**

**(1). Evaluation Committee.** The PUC will appoint an Evaluation Committee which may seek clarification from bidders and the Evaluation Committee will evaluate and compare the bids.

**(2). Bid Award.** The Contract shall be awarded to the bidder whose bids conforms to all the material terms and conditions of the IFB and which offers the lowest price.

**(3). Evaluation Report.** The Evaluation Committee will make an evaluation report which includes a price analysis of the bids and a recommendation for contract award. The Evaluation Committee chairperson will sign the report and submit it to the PUC Chairperson for approval.

**(4). Notification of Award.** A notification of award will be sent to all the bidders within ten days of the approval of the evaluation report by the PUC Chairperson.

**5. Competition selection procedures for professional services above \$250,000.**

**a. Requirement:** Solicitations for professional services, such as architects, engineers, land surveyors, and other professionals, shall be in the form of a Request for Proposals (RFP). RFPs shall be in accordance with the following RFP Process.

**b. Public Notice.** Adequate public notice shall be made at least Fifteen (15) days before the proposal due date and notice of the RFP shall be published in a Guam newspaper and posted on the PUC Website no less than fifteen (15) days prior to the deadline for submission of proposals. The Procurement Officer may send notice of the RFP to companies or individuals known to provide the required professional services.

**c. Sealed Price Proposals:** Proposals shall be submitted with Sealed Price Proposals to the PUC on or before the deadline for submission of Proposals.

**d. RFPs shall include:**

- (1). A description of the professional services required.
- (2). A copy of or a description of the type of contract to be used.
- (3). A description of the work to be performed.
- (4). The start date of the work and the duration of the professional services.
- (5). The deadline for the submission of proposals.
- (6). A statement that only written Proposals and Sealed Price Proposals will be accepted
- (7). A statement indicating that the sealed price proposals must be submitted: (a) In a separate, sealed envelope to be opened only after the proposals have been evaluated, or (b) A password protected digital file with the password included in the proposal to be downloaded and printed only after the proposals have been evaluated.
- (8). A statement that offerors may request portions of their proposals which contain trade secrets or proprietary data to remain confidential. The Procurement Officer shall review all such requests approve them only if such portions of the proposals contain trade secrets or proprietary data and shall provide a written decision to the offeror making such request that grants or denies the request and which states the Procurement Officer's reasons for doing so.
- (9). A statement regarding the minimum information proposals must contain including:
  - (a). Offeror contact information and principal place of business.
  - (b). The abilities, qualifications, and experience of all persons assigned to provide the required services.
  - (c). Description of past performance on similar contracts.
  - (d). Detailed plan explaining how the services will be performed.
- (10). The factors that the PUC will use to evaluate the proposals.

**e. Late Proposals:** Proposals submitted after the deadline for the submission of proposals will not be accepted.

**f. Pre-Proposal Conferences:** Pre-Proposal conferences may be scheduled and information regarding Pre-Proposal conferences, if any, will be contained in the RFP or an RFP amendment.

**g. Questions:** Questions from offerors will be accepted in writing by the Procurement Officer up to five (5) days before the submission deadline. Such questions and the Procurement Officer's responses will be shared with all offerors.

**h. Extensions.** The Procurement Officer may extend the deadline for submission of proposals beyond the fifteen (15) day public notice period. Any such extension shall be posted on the PUC website.

**i. Receipt and Handling of Proposals and RFP submissions:**

(1). Proposals and modifications shall be delivered to the PUC via: (1) Hard copies of Proposals delivered to the PUC office and time stamped upon receipt and held in a secure place until the established due date; or (2) Digital copies of Proposals emailed to the PUC's official email indicated on the RFP and the date and time of the emailed proposal shall serve as the official submission date and time and the documents will be downloaded and held in a secure place until the established due date.

(2). Proposals shall have a sealed price proposal included in a separately sealed envelope or in a password protected digital file with the password included as part of the proposal.

(3). Proposals shall not be opened publicly nor disclosed to unauthorized persons but shall be opened in the presence of two more members of the Evaluation Committee.

(4). A Register of Proposals shall be established which shall include for all proposals, the name of each offeror, the number of modifications received, if any, and a description sufficient to identify the services offered. The Register of Proposals shall be opened to public inspection only after award of the contract. Proposals of offerors who are not awarded the contract shall not be opened to public inspection.

**j. Evaluation and Award Process:**

**(1). Evaluation Committee:** The PUC will appoint an Evaluation Committee which may seek clarification from offerors and the Evaluation Committee will evaluate and compare the Proposals. Proposals shall be ranked by the Evaluation Committee with the most qualified offeror ranked first, the second most qualified offeror ranked second, etc.

**(2). Negotiations:** Once the ranking process is complete, the committee will open the most qualified offeror's sealed price proposal and begin negotiations with the most qualified offeror. If price and contract terms can be agreed upon, the Procurement Officer shall recommend award of the contract to the most qualified offeror. If the Evaluation Committee is unable to agree on price and contract terms with the most qualified offeror, the Evaluation Committee shall terminate negotiations with that offeror in writing, and proceed with negotiating with the next most qualified offeror or offerors, in the order they are ranked, until price and contract terms can be agreed upon and the contract can be recommended for award.

**(3). Evaluation:** An evaluation report which includes a cost analysis and the outcome of any pricing negotiation with the offeror or offerors will be signed by the Evaluation Committee chair and submitted to the PUC Chairperson for approval.

**(4). Award:** A notification of award will be sent to successful offeror within ten days of the approval of the evaluation report by the PUC Chairperson.

## **6. Multiple Source Contracting.**

### **a. Incremental Award:**

**(1). General:** An incremental award is an award of portions of a definite quantity requirement to more than one contractor. Each portion is for a definite quantity and the sum of the portions is the total definite quantity required. An incremental award may be used only when awards to more than one bidder or offeror for different amounts of the same item are necessary to obtain the total quantity or the required delivery.

**(2). Intent to Use:** If an incremental award is anticipated prior to issuing a solicitation, the Procurement Officer shall reserve the PUC's right to make such an award and the criteria for award shall be stated in the solicitation.

### **b. Multiple Award:**

**(1). General:** A multiple award is an award of an indefinite quantity contract for one or more similar supplies or services to more than one bidder or offeror when the PUC is obligated to order all of its actual requirements for the specified supplies or services from those contractors. The obligation to order the PUC's actual requirements is limited by the provisions of Uniform Commercial Code of Guam, 13 G.C.A. §2306(1).

**(2). Limitations on Use:** A multiple award may be made when award to two or more bidders or offerors for similar products is necessary for adequate delivery, service, or product compatibility. Any multiple award shall be made in accordance with the procedures for micro-purchases, small purchases, competitive sealed bidding, and competition selection procedures for professional services above \$250,000 as set forth in these Guidelines and Procedures, as applicable. Multiple awards shall not be made when a single award will meet the PUC's needs without sacrifice of economy or service. Awards shall not be made for the purpose of dividing the business, making available product or supplier selection to allow for user preference unrelated to utility or economy, or avoiding the resolution of tie bids. Any such awards shall be limited to the least number of suppliers necessary to meet the valid requirements of the PUC.

**(3). Contract and Solicitation Provisions:** All eligible users of the contract shall be named in the contract, and it shall be mandatory that the actual requirements of such users that can be met under the contract be obtained in accordance with the contract, provided, that:

(a). The PUC shall reserve the right to take bids separately if a particular quantity requirement arises which exceeds its normal requirement or an amount specified in the contract;

(b). The PUC shall reserve the right to take bids separately if the Procurement Officer finds that the supply or service available under the contract will not meet a nonrecurring special need of the PUC; and



(c). The contract shall allow the PUC to procure supplies produced, or services performed, incidental to the PUC's own programs as may be available when such supplies or services satisfy the need.

(d). Intent to Use: If a multiple award is anticipated prior to issuing a solicitation, the Procurement Officer shall reserve the PUC's right to make such an award and the criteria for award shall be stated in the solicitation.

## **7. Sole source/noncompetitive procurement.**

**a. Requirement:** All sole source procurements require written justification as to why no other bidder will be suitable or acceptable to meet the need. A sole source procurement must be approved in writing by the PUC Chairperson before an item is procured. Sole source procurements are allowed only in the following situations: (1) Compatibility of equipment, accessories, or replacement parts is of paramount consideration; (2) Sole supplier's item is needed for trial use or testing; (3) Sole supplier's item is to be procured for resale; (4) Public utility services are to be procured; (5) Supplies are offered through bankruptcy or receivership sales, or other disposition at lower than prevailing market prices; (6) Public exigency or emergency declared by the Governor of Guam will not permit a delay resulting from competitive solicitation; (7) After an IFB or RFP solicitation in which no bids or proposals are submitted and another solicitation would be ineffectual as determined in writing by the Procurement Officer.

**b. Quote Solicitation:** The Procurement Officer shall solicit a quote from the sole source, in the form of a: (1) Facsimile quote; (2) Written quote provided by vendor; or (3) Internet printout. If the price for the item or service is reasonable, the PUC Chairperson may award the contract to the sole source.

**8. Establishing a Pre-qualified Pool of vendors for a specific product, service, materials, or for indefinite quantity purchases.** The Procurement Officer may establish a pre-qualified pool of vendors for specific products, services, materials, or indefinite quantity purchases using the following process:

a. The Procurement Officer shall post a Request for Information (RFI) soliciting a specific product(s), service, materials, or indefinite quantity purchases on its website for a period of fifteen (15) days. A submission deadline will be included in the RFI. To ensure maximum participation, the RFI should be sent via email or fax to multiple offerors. In addition to the website posting, the Procurement Officer may announce the RFI via other media or social media outlet to ensure maximum participation.

b. The RFI must contain a clear and accurate description of the requirements for the material, product, or service procured and identify all requirements which offerors must fulfill in order to participate in the pre-qualified pool.

c. All offerors who submit their required documents prior to the expiration of the published deadline and who meet the RFI requirements may qualify to participate in the pre-qualified pool.

d. All prequalified lists of persons, firms, or products which are used in acquiring goods and services must be current and include enough qualified sources to ensure maximum open and free competition.

e. All offerors in a pre-qualified pool will be utilized on a rotating basis by the Procurement Officer when making purchases for specific product(s), services, materials, or indefinite quantity purchases as indicated in the initial RFI.

f. Each pre-qualified pool must be updated on a bi-annual basis.

## **9. Composition, Roles and Responsibilities of IFB or RFP Evaluation Committees.**

The Evaluation Committee is an *ad hoc* committee comprised of a minimum of three individuals including the Procurement Officer and two (2) PUC Commissioners appointed by the PUC Chairperson. The Evaluation Committee's responsibilities include ensuring that the solicitation and proposed award was conducted in a manner providing full and open competition.

## **10. Price and Cost Analysis for Evaluation Purposes.**

Price analysis may be accomplished in various ways, including the comparison of price quotations, bid, or price proposals submitted, market prices, and discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

**a. Price Analysis:** Price analysis is the process of determining whether the price is reasonable and acceptable. The analysis should include an evaluation of price for the same or similar products or services, details of the research conducted, details of negotiations with the vendor or contractor, or details of other efforts made by the program to validate price reasonableness. Price comparisons, not limited to the following, may be used in the price analysis:

- (1). Comparison with bids in the current procurement action.
- (2). Comparison with prior price quotations for the same or similar items or services.
- (3). Comparison with a published catalog price or published price list (a vendor's quotation or correspondence does not qualify as a published price list).
- (4). Comparison with prices available on the open market.
- (5). Comparison with an in-house estimate (e.g., the cost of the work if performed by own staff) or an independent cost estimate (e.g., cost review by a third party expert)
- (6). Comparison with prevailing rates in the industry

The price analysis must be documented and attached to the purchase order or contract.

**b. Cost Analysis:** Cost analysis is the process of reviewing and evaluating each element of cost to determine reasonableness, allocability, and allowability. In the analysis, consider the following:

- (1). Specific elements of cost.
- (2). The necessity for certain costs.
- (3). The reasonableness of amounts estimated for necessary costs.

- (4). The reasonableness of allowances for contingencies.
- (5). The basis used for allocation of indirect costs.
- (6). The appropriateness of allocations of particular indirect costs to the proposed contract.
- (7). The reasonableness of the total cost.

Generally, cost analysis, rather than price analysis, is used to evaluate offered prices for complex procurement actions, or when comparative data to perform a price analysis does not exist. These comparisons are documented in a memo from the Procurement Officer or Evaluation Committee to the PUC Chairperson who must approve the fair and reasonable cost.

## **11. Appeal Process.**

A bidder or offeror may appeal a decision made by the Procurement Officer, or the IFB or RFP Evaluation Committee in accordance with the following the Appeal Process:

**a. Step One:** The aggrieved bidder or offeror must submit their appeal in writing to the Procurement Officer within ten days after they receive the notice of award. The bidder or offeror must specifically cite the section of the PUC Procurement Guidelines and Procedures which they feel has been unfairly applied. The Procurement Officer must respond to the appeal in writing within 10 days after the appeal is filed, or within an extension of the 10 day period approved by the PUC Chairperson, and the Procurement Officer will only consider the issues stated in the appeal and will not consider any new issues after the deadline to file an appeal has expired.

**b. Step Two:** If the aggrieved bidder or offeror does not accept the decision of the Procurement Officer, the aggrieved bidder or offeror may appeal the Procurement Officer's decision or response to the PUC Commission within 10 days of receiving the Procurement Officer's decision or response, or within an extension of the 10 day period approved by the PUC Chairperson. The PUC Chairperson shall appoint an ad hoc committee to evaluate the appeal comprised of three PUC Commissioners. The committee will only consider the original issues stated in the Step 1 appeal and will not consider any new issues. The Committee will make a written recommendation to the PUC Chairperson to sustain or deny the appeal or take other necessary action within ten working days after receiving the Step Two appeal. The PUC Chairperson may sustain, deny, or remand the matter back to the Committee for further action. If the PUC Chairperson sustains or denies the appeal the decision is final and the appeal process ends.

## **12. Cancellation of a Solicitation.**

The PUC solicitations authorized by the PUC Procurement Guidelines and Procedures may be cancelled due to lack of funding, lack of an adequate number of respondents, when public notice timelines were not followed, or other reason documented by the Procurement Officer. If a solicitation is cancelled, the Procurement Officer will notify those bidders or offerors who responded to the solicitation of the cancellation. Public notice of cancellations will also be posted on the PUC's website.

**13. Rejection of Quote, Bid, or Proposal.**

The Procurement Officer may reject any quote, bid, or proposal if it does not comply with the requirements of the PUC Procurement Guidelines and Procedures.