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Counsel for Guam Power Authority

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) **GPA DOCKET NO. 25-19**
)
COMBUSTION TURBINE PLANTS PMC) **PETITION OF THE GUAM POWER**
EXTENSION) **AUTHORITY TO APPROVE 5-MONTH**
) **EXTENSION OF PERFORMANCE**
) **MANAGEMENT CONTRACT FOR**
) **COMBUSTION TURBINE PLANTS TO**
) **JULY 31, 2026**

The Guam Power Authority (GPA) petitions the Guam Public Utilities Commission (PUC) to approve a 5-month extension of GPA's performance management contract (PMC) with Taiwan Electrical & Mechanical Services, Inc. (TEMES) at the Combustion Turbine (CT) power plants through July 31, 2026. In support of the petition, GPA attaches the resolution of the Consolidated Commission on Utilities (CCU) on this matter. *See* Ex. 1 (CCU GPA Resolution No. FY2025-27, Aug. 26, 2025).

I. Background

GPA originally entered into a 5-year PMC with TEMES on March 1, 2016, and ending on February 28, 2021, for the management, operation, and maintenance of the Dededo CT 1 and 2, Macheche CT, Yigo CT, Piti 7 CT, Tenjo Vista, Talofoto and Manenggon power plants. The PMC was extended for five years, from March 1, 2021, to February 28, 2026. All options

1 to extend have been exhausted.

2 In June 2025, GPA issued MS IFB GPA-015-25 to solicit a PMC for Dededo CT 1 and
3 2, Macheche CT, Yigo CT, and Piti 7 CT. GPA anticipated completing the procurement and
4 obtaining the necessary regulatory and legal approvals and executing the contract by
5 January 29, 2026, to provide the new contractor with a 30-day mobilization period. *See* Ex. 1,
6 Attach. A (Bid Schedule). Two bidders lodged bid protests, one after another, throwing off the
7 timing and thwarting GPA's careful planning. The protests have since been resolved, but they
8 nevertheless engendered some delay in what was already a tight schedule.
9

10 A 5-month extension of the current PMC would give GPA sufficient time to deal with
11 the protests, complete the procurement, obtain the necessary approvals, and allow for
12 mobilization. The extension would also allow the CT plants to be operated reliably in a safe
13 manner until the new contractor can take over. The cost of the extension would be made up of
14 monthly fixed management fees of \$72,600.58 and monthly reimbursable O&M costs of
15 \$56,719.21, for a total monthly cost of \$129,319.9, or a total cost of \$646,598.95 for the
16 5-month period. The total cost of the contract would increase from \$13,311,415.56 to
17 \$13,947,014.51. *See* Ex. 1, Attach. B (Contract Cost Summary) & Attach. C (Letter from
18 TEMES).
19

20 GPA has prepared a contract amendment. *See* Ex. 1, Attach. D (Proposed PMC
21 Amendment).
22

23 **II. Request for Approval**

24 The PUC's contract review protocol for GPA requires PUC authorization for all
25 contracts in excess of \$1.5 million. The total cost of the CT PMC is nearly \$14 million,
26 triggering contract review.
27

28 The contract extension is necessary because this procurement has a tight schedule and
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1 GPA cannot predict that there will be no more bid protests.

2 The contract extension is reasonable because the monthly cost will remain more or less
3 the same as GPA's previous monthly CT PMC costs.
4

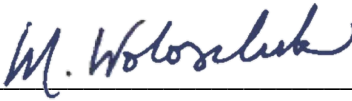
5 The contract extension is prudent because, without a PMC, there will be no one to
6 operation and maintain the CT power plants safely and reliably.
7

8 **III. Conclusion**

9 Based on the foregoing, GPA requests that the PUC approve the 5-month extension of
10 TEMES's PMC for the Dededo CT 1 and 2, Macheche CT, Yigo CT, Piti 7 CT, Tenjo Vista,
11 Talofoto and Manenggon power plants. The requested contract extension is necessary,
12 reasonable, and prudent.
13

14 Respectfully submitted this 5th day of September, 2025.
15

16 *Attorney for Guam Power Authority*

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18 By: 
19 MARIANNE WOŁOSCHUK
20 GPA Legal Counsel
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CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagåtña, Guam 96932 | (671) 648-3002 | guamccu.org

GPA RESOLUTION NO. FY2025-27

**RELATIVE TO AUTHORIZING THE EXTENSION OF THE PERFORMANCE MANAGEMENT
CONTRACT FOR THE COMBUSTION TURBINE POWER PLANTS**

WHEREAS, the Combustion Turbine Performance Management Contract (PMC) with TEMES, Inc. is for the Management, Operation and Maintenance of the Dededo Combustion Turbines, Macheche CT, Yigo CT, and includes extended operation and maintenance services for Piti 7, Tenjo Vista, Talofofo and Manenggon plants through February 28, 2026, as amended; and

WHEREAS, the current PMC contract was awarded with a base term of 5 years, beginning March 1, 2016 and ending on February 28, 2021, and was extended for an additional 5 years, beginning March 1, 2021 and ending on February 28, 2026; and

WHEREAS, there are no additional extension periods under the current PMC contract; and

WHEREAS, in June 2025, GPA issued IFB GPA-015-25 for Performance Management Contract for the Guam Power Authority's Combustion Power Plants: Dededo CT 1 and 2, Macheche CT, Yigo CT, and Piti 7 CT;

WHEREAS, the current schedule requires all regulatory approvals to be completed and a new contract signed before January 29, 2026 to provide a 30-day mobilization period for a new PMC contractor; and

WHEREAS, the bid schedule has already been impacted by a protest which caused the schedule to be adjusted (see Attachment A); and

WHEREAS, GPA has just received another protest that may also impact the bid schedule; and

WHEREAS, GPA is requesting to extend this current CT PMC Contract with TEMES for five (5) months to ensure ample time is allowed to complete the bid process as well as provide the required mobilization period to a new PMC contractor and to ensure continued PMC support for the safe and reliable operations of the aforementioned plants until a new PMC contract is issued; and

WHEREAS, TEMES has proposed an extension of the existing contract term fixed management fees of \$72,600.58 per month and monthly reimbursable O&M cost is \$56,719.21 totaling \$129,319.79 per month and \$646,598.95 for the 5-month extension period; and

1 **WHEREAS**, the total contract cost for the current CT PMC contract will increase by \$646,598.95
2 to a new total of \$ \$13,947,014.51 as shown in Attachment B.

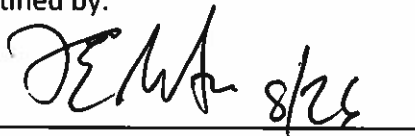
3
4 **NOW, THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on Utilities, the governing
5 body of the Guam Power Authority and subject to the review and approval of the Public Utilities
6 Commission as follows:

- 7 1. GPA is authorized to amend the CT Performance Management Contract (GPA-001-16) with
8 TEMES, Inc. to extend the expiration date by five (5) months through July 31, 2026 and to
9 increase the total contract cost from \$ \$13,300,415.56 to \$ \$13,947,014.51 for Fixed
10 Management Fees and Reimbursable O&M costs;

11 **RESOLVED**, that the Chairman certifies and the Secretary attests the adoption of this
12 Resolution.

13
14 **DULY AND REGULARLY ADOPTED**, at Mangilao, Guam, this 26th day of August 2025.

15
16 Certified by:

17 
18

19 **Francis Santos**

20 Chairperson

21 Consolidated Commission on Utilities

22 Attested by:

23 
24

25 **Melvin Duenas**

26 Secretary

27 Consolidated Commission on Utilities

SECRETARY'S CERTIFICATE

I, **Melvin Duenas**, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced by my signature above do certify as follows:

The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular meeting of the members of Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

4 AYES
0 NAY
0 ABSTENTIONS
1 ABSENT



Attachment A**Bid Schedule**

Invitation For Multi-Step Bid No. GPA-015-25

(From Amendment IV dated July 30, 2025)

Milestone	From	To
Bid Announcement	6/24/2025	7/1/2025
Bid Documents Available	6/24/2025	07/25/2025
Pre-Bid Conference	7/7/2025 9:00AM	
CT Power Plant Tours	7/7/2025 to 7/11/2025	
2nd Pre-Bid Conference	8/6/2025 9:00AM	
2nd CT Power Plant Tours	8/6/2025 to 8/12/2025	
Vendors Submit Questions	6/24/2025	08/22/2025
GPA Review and Answer Questions	6/24/2025	08/25/2025
Vendor Prepare Proposals	6/24/2025	09/01/2025
Cut Off Date for Receipt of Bid Documents	9/2/2025 2:00 PM	
Step One:		
Opening of Technical Proposal	9/2/2025 2:00 PM	
Evaluation by Committee	9/11/2025	9/19/2025
Determine & Notify Qualified Vendor	9/22/2025	
Step Two:		
Opening of Price Proposal	10/7/2024 at 2:00 PM	
Price Proposal Evaluation	10/7/2025	10/8/2025
Notification of Award	10/9/2025	10/22/2025
Contract Finalization	10/24/2025	10/27/2025
CCU & PUC Approval	10/28/2025	11/27/2025
Contract Signing	12/11/2025	
Contract Mobilization	1/31/2026	2/28/2026
Contract and Operational Commencement	3/1/2026	

Attachment B
CT PMC Contract Cost Summary

	Contract Year	Fixed Management Fee	O&M Spending Budget	Total Annual Costs
Base Term	1	\$ 640,000.00	\$ 500,000.00	\$ 1,140,000.00
	2	\$ 655,360.00	\$ 512,000.00	\$ 1,167,360.00
	3	\$ 671,088.65	\$ 524,288.00	\$ 1,195,376.65
	4	\$ 698,194.78	\$ 536,870.91	\$ 1,235,065.69
	5	\$ 703,687.44	\$ 549,755.82	\$ 1,253,443.26
Subtotal:		\$ 3,368,330.87	\$ 2,622,914.73	\$ 5,991,245.60

Extension Term	1	\$ 774,056.00	\$ 604,731.37	\$ 1,378,787.37
	2	\$ 797,278.00	\$ 622,873.31	\$ 1,420,151.31
	3	\$ 821,196.00	\$ 641,559.51	\$ 1,462,755.51
	4	\$ 845,832.00	\$ 660,806.29	\$ 1,506,638.29
	5	\$ 871,207.00	\$ 680,630.48	\$ 1,551,837.48
Subtotal:		\$ 4,109,569.00	\$ 3,210,600.96	\$ 7,320,169.96

Contract Costs (Base & Extension Terms):	\$ 7,477,899.87	\$ 5,833,515.69	\$ 13,311,415.56
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5 Month Extension	\$ 363,002.92	\$ 283,596.03	\$ 646,598.95
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Total Contract Costs: \$ 7,829,902.79 \$ 6,003,673.31 \$ 13,947,014.51

ATTACHMENT C
TEMES Contract Extension Cost Proposal



財團
法人

台灣機電工程服務社

TAIWAN ELECTRICAL AND MECHANICAL ENGINEERING SERVICES, INC.

ENGINEERS • CONSULTANTS • CONSTRUCTORS

8TH FL., 119, BAOZHONG ROAD, XINDIAN DIST.,
NEW TAIPEI CITY 23144, TAIWAN (R.O.C.)

TEL : 886-2-86658182

FAX : 886-2-86658180

TEMS-202508-0170

Aug. 18, 2025

Attn : Mr. John M. Benavente, P.E.
General Manager
Guam Power Authority

Subject: Re: PMC Extension for GPA Combustion Turbine Power Plants

Dear Mr. Benavente,

Thank you for your continued trust in TEMES. We understand the ongoing challenges in the CT PMC re-bidding process and fully recognize the importance of maintaining safe and stable operations at the CT Power Plant during this transitional period.

As requested, TEMES is willing to continue providing PMC support services for the CT Power Plant through May 31, 2026 or July 31, 2026. For the additional three or five months extension, the fees are based on a pro-rata calculation using the final year of the contract as the basis: the PMC fixed fee is USD 72,600.58 per month, and the O&M fee is USD 56,719.21 per month. These figures are respectfully submitted for your consideration and remain subject to the necessary regulatory approvals.

We sincerely appreciate the opportunity to continue supporting GPA and highly value the long-standing partnership established through the Cabras and Combustion Turbine PMC contracts.

Should you require any preliminary information or further clarification in the meantime, please do not hesitate to contact us.

Warm regards,

Tien-Ho Kuo
President, TEMES, Inc

CC : Ms. Jennifer G Sablan, P.E. AGMO
CC : Mr. Edward Leon Guerrero, Generation Manager

ATTACHMENT D
DRAFT CONTRACT AMENDMENT

**AMENDMENT NO. 3
TO PERFORMANCE MANAGEMENT CONTRACT**

This AMENDMENT NO. 3 to GPA-001-16 Performance Management Contract for GPA's COMBUSTION TURBINE POWER PLANTS (to include; DEDEDO CT 1 AND CT2, Macheche CT, Yigo CT ("PMC")) is made and entered into as of this ____ day of _____ 2025, by and between GUAM POWER AUTHORITY ("GPA"), a public corporation and autonomous instrumentality of the Government of Guam, acting through the Guam Consolidated Commission on Utilities, and Taiwan Electrical and Mechanical Engineering Services, Inc. ("TEMES"), registered to do business in Guam (GPA and TEMES referred to herein collectively as the "Parties").

RECITALS

WHEREAS, the PMC contract with TEMES, as amended, is for the Management, Operation and Maintenance of the Dededo Combustion Turbine, Macheche, and Yigo plants, with extended operation and maintenance services for Piti 7, Tenjo Vista, Talofofo and Manenggon plants through February 28, 2026; and

WHEREAS, in June 2025 GPA issued IFB GPA-015-25 for Performance Management Contract for the Guam Power Authority's Combustion Power Plants: Dededo CT 1 and 2, Macheche CT, Yigo CT, and Piti 7 CT however the already aggressive bid schedule was impacted by a protest which could potentially delay the award of the new PMC contract until after the expiration of the current TEMES PMC contract; and

WHEREAS, GPA is requesting to extend this current CT PMC Contract with TEMES for five (5) months to ensure the continued safe and reliable operations of the aforementioned plants until a new PMC contract is issued.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the PMC Contract as follows:

2. The expiration of this contract as amended shall be extended five (5) months through July 31, 2026.
3. The Fixed Management Fee for the extended period shall be \$72,600.58 per month and the reimbursable O&M budget shall be \$56,719.21 per month.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date specified above.

[signature page follows]

TAIWAN ELECTRICAL AND MECHANICAL
ENGINEERING SERVICES, INC. (TEMES)

By: _____ Date: _____
Mr. Yao-Ting Wang
Chairman, Board of Directors
Duly Authorized Representative

GUAM POWER AUTHORITY (GPA)

By: _____ Date: _____
John M. Benavente, P.E.
General Manager

APPROVED AS TO FORM:

By: _____ Date: _____
Marianne Woloschuk
GPA Legal Counsel