

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:) GWA Docket 26-02
)
THE GUAM WATERWORKS)
AUTHORITY'S ISSUANCE OF A)
COMPETITIVE PROCUREMENT FOR) **ALJ REPORT**
ENGINEERING AND CONSTRUCTION)
SERVICES)
_____)



INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] pursuant to the Petition of the Guam Waterworks Authority ["GWA"] which requests PUC approval for issuance of a Request for Proposals ("RFP") to procure professional construction management services for AG-10, AG-12, and Y-8 Deep Well Development and an Invitation to Bid ("IFB") to procure construction services for (1) AG-10, AG-12, and Y-8 Deep Well Development and (2) A-2, A-7, A-12, D-5, and F-3 Deep Well Rehabilitation.¹

BACKGROUND

Existing ground water wells A-02, A-07, A-12, D-05, and F-03 have several design and construction features that need updating to current GWA and industry standards. Wells A-02, A-07, and D-05 are no longer in service and have been abandoned. Deep Well A-12 is still operational, but the design is inadequate for the cooling of the pump

¹ GWA Petition for Issuance of a Competitive Procurement for Engineering and Construction Services, dated October 10, 2025, at p. 1 ("GWA Petition").

system, which limits production capacity. Deep Well F-03, while currently active, requires rehabilitation.²

The GWA Petition sets forth the scope of work for these projects:

“The A-series rehabilitation project is to perform full renovation of each listed well, including demolition work, new piping, drilling new well holes, installation of new pump and motor, new electrical systems, new well casings and screens, new chlorination buildings, and other miscellaneous site upgrades.

AG-10, AG-12, and Y-08 Deep Well Development project is to construct three potable water wells. The project will involve the development of three new well sites, including well construction, piping, drilling new well holes, pump and motors, utility/chlorination building, electrical systems, SCADA, and other miscellaneous site development.”³

DISCUSSION

1. GWA’s Contract Review Protocol

GWA seeks to procure professional construction management services and construction services for issuance of an RFP and IFBs. GWA anticipates that the total contract costs for each of the procurements will exceed \$1 Million. The GWA Contract Review Protocol requires that the PUC must review “[A]ll professional services procurements

² Id. at pgs. 1-2.

³ Id. at p. 2.

in excess of \$1,000,000...”.⁴ The proposed procurements must be approved by the PUC “before the procurement process is begun.”⁵

2. The Need/Justification for the Procurements

In GWA Resolution No. 52-FY2025, the Guam Consolidated Commission on Utilities stated that it “has determined that there exists a need for certain additions and improvements for GWA’s water and wastewater system, including but not limited to water production...”.⁶ The CCU indicated that GWA management was seeking to solicit for professional engineering design, construction management, and construction services for water projects that have been listed in GWA’s 5-year Capital Improvement Plan.⁷

In GWA Resolution No. 52-FY2025, the CCU specifically references the projects that are the subject of the current petition:

(1) A-2, A-7, A-12, D-12 and F-03 Deep Well Rehabilitation

“For this project an Invitation for Bids would be issued for construction. The services required are described as follows: Rehabilitation and Deep Wells A-2, A-7, A-12 and F-3 including new well columns, pump stations, piping, chlorination, electrical, instrumentation, and miscellaneous site upgrades.”⁸

(2) AG-10, AG-12, and Y-8 Deep Well Development.

⁴ Contract Review Protocol for Guam Waterworks Authority, Administrative Docket, Docket 00-04, dated October 27, 2005, at par. 1(c).

⁵ Id. at par. 1.

⁶ GWA Petition at Exhibit A-01.

⁷ Id.

⁸ GWA Petition at Exhibit A-02.

For this project a Request for Proposals would be issued for Construction Management and an Invitation for Bids for construction. The project is described as follows: Construction of Deep Wells AG-10, AG-12, and Y-8 “including new well columns, pump systems, piping, chlorination, electrical, instrumentation, and miscellaneous site upgrades.”⁹

The CCU further found that **“the advertisement to solicit professional engineering design, construction management, and construction services is necessary to ensure the water and wastewater system’s resilience and to maintain excellent services to the public”** (emphasis added).¹⁰ The CCU authorized the management of GWA to submit a petition to the PUC requesting approval for the procurement of the construction management and construction services for the projects.

GWA concludes that the PUC should approve and authorize GWA to procure construction management and construction services for AG-10, AG-12 and Y-08 Deep Well Development, and construction services for A-2, A-7, A-12, D-5, and F-3 Deep Well Rehabilitation. GWA contends that these projects are “reasonable, prudent and necessary.”¹¹ After GWA determines which contractors should be awarded these projects, and the amounts to be awarded, it will request approval from the PUC for the proposed contracts and the award amounts.¹²

⁹ Id.

¹⁰ GWA Petition at Exhibit A-04.

¹¹ GWA Petition at p. 2.

¹² GWA Petition at p. 3.

RECOMMENDATION

Based upon the documentation in the record, the ALJ recommends that the PUC approve GWA's issuance of a Request for Proposals ("RFP") to procure professional construction management services for AG-10, AG-12, and Y-08 Deep Well Development and an Invitation for Bids ("IFB") to procure construction services for (1) AG-10, AG-12 and Y-8 Deep Well Development and (2) A-2, A-7, A-12, D-05 and F-3 Deep Well Rehabilitation.

GWA has justified the need for the projects indicated in the petition and that such projects are reasonable, prudent and necessary. Once the procurements have been completed, the PUC will have a further opportunity to assess the proposals presented and their costs.

A Proposed Order is submitted herewith for the Commissioners' consideration.

Respectfully submitted this 22nd day of October, 2025.


Frederick J. Horecky
Chief Administrative Law Judge