

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:

GWA DOCKET 26-03

PUC COUNSEL REPORT

GUAM WATERWORKS AUTHORITY'S  
PETITION TO RATIFY AND APPROVE )  
IDIQ CONTRACT FOR THE SUPPLY )  
OF ULTRASONIC WATER METERS )

INTRODUCTION

1. This matter comes before the Public Utilities Commission ["PUC"] pursuant to the Guam Waterworks Authority's ["GWA"] Petition to Ratify and Approve Fund Increase and Scope to Landis+Gyr, Inc. ["LG"] Indefinite Delivery, Indefinite Quantity ["IDIQ"] Contract for the Supply of Ultrasonic Water Meters.<sup>1</sup>
2. GWA is requesting that the PUC authorize GWA to enter into a contract combining GWA-LG Purchase Orders 800245 for \$404,360, and 801095 for \$991,854.46 for a combined total of \$1,396,214.46, and to approve an additional \$254,034.37 purchase of large ultrasonic meters that would increase the total contract cost to \$1,650,248.83.<sup>2</sup>

BACKGROUND

3. GWA relies on ultrasonic water meters to accurately measure water consumption to bill its customers for water service delivered, and to replace aging meters in GWA's drinking water distribution system.<sup>3</sup>
4. On February 29, 2024, GWA issued GWA-IFB-2024-13 for the procurement of small ultrasonic meters for residential customer service connections. Although fourteen parties picked up bid packets, only LG submitted a bid in response to the

<sup>1</sup>GWA Petition to Ratify and Approve Fund Increase and Scope to LG IDIQ Contract for the Supply of Ultrasonic Water Meters, GWA Docket 26-03, dated February 6, 2026 [GWA Petition] at 1.

<sup>2</sup> GWA Petition at 2. NOTE: The page numbers in GWA'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 1.

solicitation, and GWA awarded LG the contract and issued GWA-LG Purchase Order No. 800245 for \$404,360.<sup>4</sup>

5. On May 23, 2025, GWA issued GWA-IFB-2025-31 for the procurement of large ultrasonic meters for commercial and government service connections. Although nine parties picked up bid packets, only LG submitted a bid in response to the solicitation, and GWA awarded LG the contract and issued GWA-LG Purchase Order No. 801095 for \$991,854.46.<sup>5</sup>
6. LG has requested that the two purchase orders be combined into one contract and this would result in an aggregate contract cost of \$1,396,214.46 ( $\$404,360 + \$991,854.46 = \$1,396,214.46$ ).<sup>6</sup>
7. GWA has stated that there is a pending requisition of large ultrasonic water meters in GWA Purchase Order No. 801095 for the amount of \$254,034.37 and which would increase the cost of a contract combining the two purchase orders to \$1,650,248.83 ( $\$1,396,214.46 + \$254,034.37 = \$1,650,248.83$ ).<sup>7</sup>
8. On January 27, 2026, the Guam Consolidated Commission on Utilities ["CCU"] issued GWA Resolution No. 07-FY2026 authorizing GWA's management to enter into a contract with LG combining the two purchase orders for the amount of \$1,396,214.46, to purchase additional large ultrasonic meters for the amount of \$254,034.37 under the new contract, and to use grant, bond, or Internally Funded Capital Improvement Program funds subject to the PUC's approval.<sup>8</sup>

### ANALYSIS

9. GWA must obtain the PUC's authorization to enter into the contract combining the two purchase orders, for the purchase of additional large ultrasonic meters under that contract, and for the possible use of Bond funds by GWA to fund the new contract. The PUC's Contract Review Protocol mandates that GWA obtain PUC approval for multi-year contracts that exceed the amount of \$1,000,000.<sup>9</sup>

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<sup>4</sup> Id., at 1 and 134.

<sup>5</sup> Id., at 1 and 136.

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

<sup>7</sup> Id.

<sup>8</sup> Id., at 6-7.

<sup>9</sup> Contract Review Protocol for GWA, Administrative Docket 00-04 dated October 27, 2005 at Par.1(c).

Additionally, any financial obligation that involves the use of bond funds must also be reviewed by the PUC.<sup>10</sup> Here, the new contract combining the two purchase orders will have a \$1,396,214.46 cost which exceeds the \$1,000,000 review threshold. Additionally, GWA's purchase of additional large ultrasonic meters under the new contract for \$254,034.37 would increase the contract's cost to \$1,650,248.83. Thus, GWA is required to obtain the PUC's approval of the contract combining the two purchase orders, the purchase of additional large ultrasonic meters under that contract, and for the possible use of Bond funds by GWA to fund the new contract.

10. GWA's estimated \$1,650,248.83 cost of a new contract combining the purchase orders and the purchase of additional large ultrasonic water meters is reasonable. Here, under GWA-LG Purchase Order 800245 GWA ordered 2,000 small ultrasonic meters for \$202.18 each, for the total amount of \$404,360 (\$202.18 per meter x 2,000 meters = \$404,360).<sup>11</sup> Under GWA-LG Purchase Order No. 801095, GWA ordered: (1) One-hundred-seventy-nine 1-1/2 inch ultrasonic meters at \$1,896.49 each for a total of \$339,471.71 (\$1,896.49 per meter x 179 meters = \$339,471.71); (2) Sixty-one 4 inch ultrasonic meters at \$3,697.29 each for a total of \$225,534.69 (\$3,697.29 x 61 meters = \$225,534.69); (3) Eighteen 6 inch ultrasonic meters at \$5,975.65 each for a total of \$107,561.70 (\$5,975.65 per meter x 18 meters = \$107,561.70); (4) Five 8 inch ultrasonic meters at \$7,096.31 each for a total of \$35,481.55 (\$7,096.31 per meter x 5 meters = \$35,481.55); (5) Three 8 inch ultrasonic meters at \$13,388.27 each for a total of \$40,164.81 (\$13,388.27 per meter x 3 = \$40,164.81); (6) Twenty-five three inch ultrasonic meter at \$2,732.50 each for a total of \$68,312.50 (\$2,732.50 per meter x 25 meters = \$68,312.50); and (7) Ninety-seven 2 inch ultrasonic meters at \$1,807.50 each for a total of \$175,327.50 (\$1,807.50 per meter x 97 meters = \$175,327.50).<sup>12</sup> The total amount of GWA-LG Purchase Order No. 801095 was \$991,854.46 (\$339,471.71 + \$225,534.69 + \$107,561.70 + \$35,481.55 + \$40,164.81 + \$68,312.50 + \$175,327.50 = \$991,854.46. GWA will be ordering an additional thirty-eight 4 inch ultrasonic meters at \$3,697.29 each for a total of \$140,497.02 (\$3,697.29 per meter x 38 = \$140,497.02) and nineteen 6 inch ultrasonic meters at \$5,975.65 each for a total of \$113,537.35 (\$5,975.65 per meter x 19 meters = \$113,537.35) for a grand total of \$254,034.37.<sup>13</sup> Hence, the contract combining the two purchase orders and its \$1,396,214.46 cost, and the \$254,034.37 cost of purchasing fifty-seven additional large ultrasonic meters is reasonable because it provides GWA with 2,000 small

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<sup>10</sup> Id., at Par.1(d).

<sup>11</sup> Petition at 126.

<sup>12</sup> Id., at 131.

<sup>13</sup> Id., at 3.

ultrasonic meters, and 445 large ultrasonic meters for a total of 2,445 ultrasonic meters.

11. GWA's estimated \$1,650,248.83 cost of a new contract combining the purchase orders and the purchase of additional large ultrasonic water meters is prudent. The GWA-LG Contract arising from GWA-IFB-2024-13 for the procurement of small ultrasonic meters for residential customer service connections and the GWA-LG Contract arising from GWA-IFB-2025-31 for the procurement of large ultrasonic meters for commercial and government service connections both state that no other agreement, statement, or promise not contained in this Agreement and addenda will be effective only if it is in writing signed by the party to be charged.<sup>14</sup> Hence, this allows GWA and LG to amend the contract by combining both purchase orders under the same contract.
12. GWA's estimated \$1,650,248.83 cost of a new contract combining the purchase orders and the purchase of additional large ultrasonic water meters is necessary. As shown above, GWA is dependent on ultrasonic water meters to accurately measure water consumption to bill its customers for water service delivered, and to replace aging meters in GWA's drinking water distribution system. Hence, the new ultrasonic water meter contract combining the purchase orders and the purchase of additional large ultrasonic meters is necessary.
13. Based on the foregoing, the \$1,650,248.83 cost of a new contract combining the purchase orders and the purchase of additional large ultrasonic water meters is reasonable, prudent, and necessary.

### RECOMMENDATION

14. Counsel recommends that the PUC approve GWA's Petition to Ratify and Approve Fund Increase and Scope to LG's IDIQ Contract for the Supply of Ultrasonic Water Meters. Additionally, Counsel recommends that GWA seek the PUC's prior approval for any purchases of additional ultrasonic meters that would increase the contract's total cost beyond \$1,815,273.71. Said total cost includes the \$1,650,248.83 cost of a new contract combining the purchase orders and the purchase of

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<sup>14</sup> Id., at 119 and 88. NOTE: The signed contract for GWA-IFB-2025-31 was not included in Petition and it is assumed here that the draft contract in the aforementioned solicitation contains the same language as the final executed contract.

additional large ultrasonic water meters, and the amount of \$165,024.88 which is the 10% contingency cost authorized by the CCU and falls within the 20% contingency amount authorized by Paragraph 9 of GWA's Contract Review Protocol.

15. A Proposed Order is submitted herewith for the consideration of the Commissioners.

Dated this 20th day of February, 2026.

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