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9 *Counsel for Guam Power Authority*

10 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

11 **IN THE MATTER OF:**) **GPA DOCKET NO. 26-07**
12 **BULK FUEL STORAGE FACILITY**)
13 **PMC EXTENSION**) **PETITION OF THE GUAM POWER**
14) **AUTHORITY TO APPROVE PRICE**
15) **INCREASE AND 2-YEAR EXTENSION**
16) **OF THE SUPREME GROUP GUAM LLC**
17) **PERFORMANCE MANAGEMENT**
18) **CONTRACT**
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27 The Guam Power Authority (GPA) petitions the Guam Public Utilities Commission
28 (PUC) to approve a two-year extension of GPA's performance management contract (PMC) with
29 Supreme Group Guam LLC (Supreme), as well as a price increase to account for additional
30 services. In support of the petition, GPA attaches the resolution of the Consolidated Commission
31 on Utilities (CCU) on this matter. *See Ex. A (CCU GPA Resolution No. FY2026-11 (Jan. 27,*
32 *2026)).*

27 **I. Background**

28 In GPA Docket No. 22-02, the PUC approved GPA's request to procure a PMC for its
29 bulk fuel storage facility. Dkt. No. 22-02, Order at 5 (Dec. 2, 2021). Following a competitive
30 procurement under re-bid multi-step IFB GPA-015-22, GPA selected Supreme. The PUC
31 approved GPA's PMC with Supreme in Docket No. 23-14. Dkt No. 23-14, Order at 7 (Apr. 27,
32)

1 2023). GPA entered into a 3-year base term contract with Supreme commencing October 1,
2 2023, with two 1-year options to renew.

3 In the final year of the three-year base term, GPA engaged Supreme to provide services
4 24 hours per day, 7 days per week, effective August 1, 2025. This resulted in an increase of
5 \$338,807.00 for additional labor and for increased utility costs, raising the base contract
6 amount from \$2,728,319.00 to \$3,067,126.00.

7
8 The three-year base term of the contract will expire on September 30, 2026. GPA
9 intends to exercise both one-year option periods, extending the contract for an additional two
10 years. GPA requires Supreme to continue providing services on a 24/7 basis, which will result
11 in an increase to the contract price.

12 Attachment A to the CCU Resolution reflects the proposed cost adjustments for the
13 third year of the base term and the two-year extension period. The combined cost for the two
14 option years and the third-year base term adjustment totals \$3,017,206.00. When added to the
15 original base term cost of \$2,728,319.00, the total contract value will be \$5,745,525.00. The
16 proposed contract amendment is attached hereto as Exhibit B.

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21 **II. Request for Approval**

22 The PUC's contract review protocol for GPA requires PUC authorization for all
23 contracts in excess of \$1.5 million. The total cost of the contract in this case triggers contract
24 review.

25 This contract extension is necessary because, without a PMC at the bulk fuel storage
26 facility, GPA will not be able to conduct refueling operations safely and efficiently.

27 The contract extension is reasonable because the 24/7 service accounts for the
28 difference in the cost.

1 Finally, the contract extension is prudent, because it ensures the continuity of essential
2 services at a reasonable price while taking into account additional considerations related to the
3 24/7 operations, such as insurance.
4

5 **III. Conclusion**

6 Based on the foregoing, GPA requests that the PUC approve the price increase and
7 allow GPA to extend the bulk fuel storage facility PMC for two years. The requested extension
8 is reasonable, necessary, and prudent.
9

10 Respectfully submitted this 6th day of February, 2026.
11

12 *Attorney for Guam Power Authority*

13
14 By: 
15 MARIANNE WOOSCHUK
16 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. FY2026-11

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE PUBLIC UTILITIES COMMISSION FOR THE EXTENSION OF THE EXISTING CONTRACT FOR THE MANAGEMENT, OPERATION AND MAINTENANCE OF THE GUAM POWER AUTHORITY'S FUEL BULK STORAGE FACILITY WITH SUPREME GROUP GUAM, LLC.

WHEREAS, the Guam Power Authority (GPA) entered into a three-year contract with Supreme Group Guam, LLC (SUPREME) under GPA-015-22 for the management, operation, and maintenance of the GPA Fuel Bulk Storage Facility, which expires on September 30, 2026; and

WHEREAS, the contract includes provisions for up to two (2) optional one-year extensions; and

WHEREAS, GPA and SUPREME have mutually agreed to exercise the two-year extension option and to implement corresponding price adjustments to address increased manpower and utility costs associated with the extension of daily refueling operations from twelve (12) hours to twenty-four (24) hours; and

WHEREAS, the detailed contract pricing, adjustments, and total aggregate cost for the three-year base period and two-year extension period are reflected in Exhibit A, incorporated herein by reference; and

WHEREAS, the aggregate total contract value for the three-year base period and the two-year extension period shall be increased by \$3,017,206.00, from \$2,728,319.00 to \$5,745,525.00.; and

WHEREAS, GPA has determined that the overall fee increase for the three-year base period and two-year extension period is reasonable and necessary; and

WHEREAS, GPA seeks approval to proceed with the two-year extension and associated contract amendments, subject to review and approval by the Guam Public Utilities Commission.

NOW THEREFORE, BE IT RESOLVED, by the Consolidated Commission on Utilities, subject to the review and approval of the Guam Public Utilities Commission, as follows:



CONSOLIDATED COMMISSION ON UTILITIES
Guam Power Authority | Guam Waterworks Authority
P.O. Box 2977 Hagåtña, Guam 96932 | (671) 648-3002 | guamccu.org

- 1 1. The Guam Power Authority is hereby authorized to seek approval from the PUC to execute an
2 agreement with Supreme for a two (2) year extension of the contract for the Management,
3 Operation, and Maintenance of the GPA Fuel Bulk Storage Facility commencing in October 01,
4 2026 and terminating in September 30, 2028.
- 5
- 6 2. The General Manager of the Guam Power Authority is hereby authorized, subject to approval
7 by the Public Utilities Commission, to increase the total contract value to an aggregate
8 amount of \$5,745,525.00, consisting of \$2,728,319.00 for the three-year base period and
9 \$3,017,206.00 for the two-year extension, and to execute all agreements and documents
10 necessary to effectuate the contract extension with SUPREME.

11 **DULY AND REGULARLY ADOPTED** at Mangilao, Guam, this 27th day of January 2026.

12 Certified by:

13 A handwritten signature in blue ink, appearing to read "F. E. Santos".
14 Francis E. Santos
15 CHAIRPERSON

16 Attested by:

17 A handwritten signature in blue ink, appearing to read "M. F. Duenas".
18 Melvin F. Duenas
19 SECRETARY



CONSOLIDATED COMMISSION ON UTILITIES
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SECRETARY'S CERTIFICATE

I, Melvin F. Duenas, Secretary for the Consolidated Commission on Utilities, as evidenced by my signature above, do hereby certify:

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

5 AYES

0 NAYS

0 ABSTENTIONS

D ABSENT



EXHIBIT A- SUPREME PRICE PROPOSAL ADJUSTMENT

EXHIBIT A- SUPREME PRICE PROPOSAL ADJUSTMENT											
SUPREME ORIGINAL BID PRICE											
CONTRACT ITEMS (BREAKDOWN)	Contract Year			OPTIONAL Contract Years			Contract Year			SUPREME PROPOSED PRICE ADJUSTMENT	
	1	2	3	1	2	2	1	2	3	1	2
10/01/23-19/30/24	10/01/24-09/30/25	10/01/25-09/30/26	10/01/26-09/30/27	10/01/27-19/31/28	10/01/28-19/30/29	10/01/29-09/30/24	10/01/24-19/30/25	10/01/25-09/30/26	10/01/26-09/30/27	10/01/27-19/30/28	10/01/28-19/30/29
Management and Administration Fees (Include all expenses for: staffing, office maintenance, utilities, transportation, communications, management fees and administration fees)	\$ 510,943	\$ 514,340	\$ 566,733	\$ 586,882	\$ 597,282	\$ 510,943	\$ 514,340	\$ 566,733	\$ 586,882	\$ 597,282	
Amendment 1 (monthly fee commenced effective September 1, 2025): Additional manpower for 24 hours, 7 days a week Operations (for the remainder of the 3-year base period)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 180,000	\$ -	
Amendment 2 (monthly fee to commence effective October 1, 2026): Additional manpower for 24 hours, 7 days a week Operations (for the extension years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,000	\$ 180,000	
Amendment 2 (Monthly fee to commence 1 month after the PUC Approval): Additional Utilities Cost	\$ 510,943	\$ 514,340	\$ 566,733	\$ 586,882	\$ 597,282	\$ 510,943	\$ 514,340	\$ 597,340	\$ 52,888	\$ 52,888	
Sub-total	\$ 185,000	\$ 194,250	\$ 200,078	\$ 206,080	\$ 212,262	\$ 185,000	\$ 194,250	\$ 200,078	\$ 206,080	\$ 212,262	
2 Security Contractor	\$ 38,500	\$ 40,425	\$ 42,446	\$ 44,569	\$ 46,797	\$ 38,500	\$ 40,425	\$ 42,446	\$ 44,569	\$ 46,797	
3 Spill Response Company Membership Fees	\$ 23,858	\$ 25,050	\$ 25,802	\$ 26,576	\$ 27,373	\$ 23,858	\$ 25,050	\$ 25,802	\$ 26,576	\$ 27,373	
4 Insurance Fees (Volume 1 - 5.41)	\$ 2,004	\$ 2,105	\$ 2,168	\$ 2,233	\$ 2,300	\$ 2,004	\$ 2,105	\$ 2,168	\$ 2,233	\$ 2,300	
5 Inventory - Environmental / Oil Spill Equipment	\$ 113,242	\$ 118,904	\$ 122,471	\$ 126,145	\$ 129,930	\$ 113,242	\$ 118,904	\$ 123,390	\$ 126,145	\$ 129,930	
6 Operation and Maintenance Budget (REQUIRED)	\$ 923,547	\$ 982,074	\$ 105,000	\$ 105,000	\$ 105,000	\$ 923,547	\$ 982,074	\$ 105,000	\$ 105,000	\$ 105,000	
*PLEASE EXPAND AND PROVIDE INFORMATION IN 'Q&M Budget Required' tab of worksheet.										Amendment 2 (Effective October 1, 2026):	
TOTAL ANNUAL CONTRACT PRICE (Contract Item 1 thru 1)										\$ 222,542	
TOTAL ANNUAL CONTRACT PRICE (Contract Item 1 thru 2)										\$ 1,220,500	
TOTAL ANNUAL CONTRACT PRICE (Contract Item 1 thru 3)										\$ 1,225,744	

AMENDMENT NO. II

TO THE PERFORMANCE MANAGEMENT CONTRACT (PMC)
FOR THE GPA BULK FUEL STORAGE FACILITY
BETWEEN
THE GUAM POWER AUTHORITY
AND
SUPREME GROUP GUAM, LLC

EFFECTIVE DATE

THIS AMENDMENT NO. II, to the Performance Management Contract for the GPA Bulk Fuel Storage Facility under reference IFB GPA-015-22, hereinafter referred to as the “CONTRACT,” between the GUAM POWER AUTHORITY, hereinafter referred to as “GPA” or “OWNER” and SUPREME GROUP GUAM, LLC as the Performance Management Contractor, hereinafter referred to as “PMC”, shall become effective on _____.

RECITALS

WHEREAS, Amendment I to the contract took effect on September 1, 2025; and

WHEREAS, the three (3) year base period of the contract will expire on September 30, 2026; and

WHEREAS, the parties desire to extend the contract for two (2) consecutive years to commence on October 1, 2026 and to expire on September 30, 2028; and

WHEREAS, the parties also desire to amend certain provisions of the CONTRACT for price adjustments on the remainder of third year (3rd yr) base period and the two-year (2-yr) extension period; and

WHEREAS, Section 30 (Amendment and Waiver) of the CONTRACT authorizes amendment to the CONTRACT by an instrument in writing signed by the party against whom enforcement of the change, waiver, alteration, amendment, discharge, or termination is sought.

NOW THEREFORE, for and in consideration of the mutual covenants contained in the CONTRACT and herein, the parties hereto do hereby agree as follows:

SECTION 6. COMPENSATION FOR SERVICES

6.2. Contract Price:

Delete Table 1 in its entirety and replace with:

Table 1. CONTRACT PRICE

CONTRACT ITEMS (BREAKDOWN)		Contract Year		Contract Year		OPTIONAL Contract Extn Years	
		1	2	3	1	2	
		10/01/23-09/30/24	10/01/24-09/30/25	10/01/25-09/30/26	10/01/26-09/30/27	10/01/27-09/30/28	
MANDATORY	Management and Administration Fees (Include all expenses for: staffing; office maintenance; utilities; transportation; communications; management fees and administration fees)	\$ 510,943	\$ 514,340	\$ 566,733	\$ 586,882	\$ 597,282	
	<i>Amendment 1 (monthly fee commenced effective September 1, 2025): Additional manpower for 24 hours, 7 days a week Operations (for the remainder of the 3-year base period)</i>	\$ -	\$ 15,000	\$ 180,000			
	<i>Amendment 2 (monthly fee to commence effective October 1, 2026): Additional manpower for 24 hours, 7 days a week Operations (for the extension years)</i>				\$ 180,000	\$ 180,000	
	<i>Amendment 2 (Monthly fee to commence 1month after the PUC Approval): Additional Utilities Cost</i>	\$ -	\$ -	\$ 52,888	\$ 52,888	\$ 52,888	
	Sub-total	\$ 510,943	\$ 529,340	\$ 799,621	\$ 819,770	\$ 830,170	
	2 Security Contractor	\$ 185,000	\$ 194,250	\$ 200,078	\$ 206,080	\$ 212,262	
	3 Spill Response Company Membership Fees	\$ 38,500	\$ 40,425	\$ 42,446	\$ 44,569	\$ 46,797	
	4 Insurance Fees (Volume I - 5.41)	\$ 23,858	\$ 25,050	\$ 25,802	\$ 26,576	\$ 27,373	
	5 Inventory - Environmental / Oil Spill Equipment	\$ 2,004	\$ 2,105	\$ 2,168	\$ 2,233	\$ 2,300	
	6 Operation and Maintenance Budget (REQUIRED) <i>*PLEASE EXPAND AND PROVIDE INFORMATION IN "O&M Budget (Required)" tab/worksheet.</i> <i>Amendment 2 (Effective October 1, 2026):</i>	\$ 113,242	\$ 118,904	\$ 213,390	\$ 126,145	\$ 129,930	
		\$ -	\$ -	\$ -	\$ 101,371	\$ 102,823	
		\$ 113,242	\$ 118,904	\$ 213,390	\$ 227,516	\$ 232,753	
TOTAL ANNUAL CONTRACT PRICE (Contract Items 1 thru 6)		\$ 873,547	\$ 910,074	\$ 1,283,505	\$ 1,326,744	\$ 1,351,655	

OPTIONAL ITEMS:						
OPTIONAL	7 Operation and Maintenance Budget (optional) <i>*PLEASE EXPAND AND PROVIDE INFORMATION IN "O&M Budget (optional)" tab/worksheet. These items are for O&M activities that the bidder may deem necessary for the fuel farm but is not included in the O&M Budget (REQUIRED). GPA and the Contractor will discuss these costs during the Contract Finalization period. THIS IS NOT INCLUDED IN THE EVALUATION OF PRICE PROPOSAL AND WILL BE ADDITIONAL INFORMATION ONLY.</i> <i>Amendment 2 (Effective October 1, 2026):</i>	\$ 200,000	\$ 135,000	\$ 150,000	\$ 50,000	\$ -
					\$ 100,000	\$ 110,000
	<i>Total of Optional Operation and Maintenance Budget</i>	\$ 200,000	\$ 135,000	\$ 150,000	\$ 150,000	\$ 110,000

SECTION 35. PMC'S AND ITS SUB-CONTRACTOR'S INSURANCE

Delete verbiage in its entirety and replace with:

“ 35.1. Mandatory Insurance Requirements.

Prior to commencing the work, PMC shall obtain and thereafter maintain during the course of the work Insurance with companies acceptable to GPA. The PMC shall not allow any sub-contractor to commence work on his subcontract until all similar insurance required of the sub-contractor has been so obtained and approved. The minimum limits of insurance shall be as follows unless a higher limit is required by statute:

A. General Liability Insurance including products, completed operations and contractual liability coverage in the amount of \$2,000,000 per occurrence and \$2,000,000 aggregate.

- i. Policy must be primary and non-contributory with endorsements attached.
- ii. GPA shall be named as an Additional Insured.
- iii. Waiver of subrogation shall be in favor of GPA.
- iv. Cancellation clause of minimum 90 days' prior written notice to GPA.
 - 1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

B. Commercial Auto Liability Insurance covering third party bodily injury and property damage in the amount of \$1,000,000 combined single limit per occurrence.

- i. Policy must be primary and non-contributory with endorsements attached.
- ii. GPA shall be named as an Additional Insured.
- iii. Waiver of subrogation shall be in favor of GPA.
- iv. Cancellation clause of minimum 90 days' prior written notice to GPA.
 - 1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

C. Excess Liability Insurance over the General Liability and the Commercial Auto Liability with

limits of \$10,000,000 or higher per occurrence/ \$10,000,000 aggregate.

- i. Policy must be primary and non-contributory with endorsements attached.
- ii. GPA shall be named as an Additional Insured.
- iii. Waiver of subrogation shall be in favor of GPA.
- iv. Cancellation clause of minimum 90 days' prior written notice to GPA.
 - 1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

D. Worker's Compensation and Employer's Liability Insurance – Statutory Limits.

- i. Policy must be primary and non-contributory with endorsements attached.
- ii. GPA shall be named as an Additional Insured.
- iii. Waiver of subrogation shall be in favor of GPA
- iv. Cancellation clause of minimum 90 days' prior written notice to GPA.
 - 1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

For CIPs and Major O&M Projects:

PMC or its sub-contractor shall obtain all insurance required for any projects requiring Engineering and/or Architectural design. The minimum limits of insurance per project shall be as follows unless a higher limit is required by statute:

E. Professional Liability Insurance including in the amount of \$1,000,000 each claim.

- i. Policy must be primary and non-contributory with endorsements attached.
- ii. GPA shall be named as a NAMED INSURED
- iii. GPA shall be named as Loss Payee
- iv. Cancellation clause of minimum 90 days' prior written notice to GPA.
 - 1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

F. All Risk or Builders Risk Insurance

- i. Minimum Limits, deductibles, sub-limits, coverage, and property descriptions per contract or project description.
- ii. Policy must be primary and non-contributory with endorsements attached.
- iii. GPA shall be named as a NAMED INSURED.
- iv. GPA shall be named as a Loss Payee
- v. Waiver of subrogation shall be in favor of GPA
- vi. Cancellation clause of minimum 90 days' prior written notice to GPA.
 - 1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

The cost for the insurance policy requirements for Items E and F shall be imbedded in the price proposals for each CIPs and Major O&M project requiring Engineering and/or Architectural design. The PMC shall not allow any sub-contractor to commence work on his subcontract until all insurance required has been so obtained and approved.

If applicable, fuel /hazardous materials transport:

G. General Liability and the Commercial Auto Liability with limits of \$5,000,000 or higher per occurrence.

- i. Policy must be primary with primary wording endorsement attached.
- ii. GPA shall be named an additional insured
- iii. Waiver of subrogation shall be in favor of GPA
- iv. Cancellation clause of minimum 60 days' prior written notice to GPA
- v. Policy must have MCS 90 Endorsement

All policies must contain the following endorsement and on the Certificate of Insurance:

H. Cancellation Clause of minimum 90 days' prior written notice to GPA.

GPA must be given minimum 90 days' prior written notice before any material changes in the policy or cancellation of the policy can take effect. Written notice must be addressed to:

Guam Power Authority
Chief Financial Officer
PO BOX 2977
Hagatna, GU
96932-2977

Certificate of insurance must contain this wording to be acceptable.

35.3. Certificate of Insurance.

PMC shall furnish certificates of insurance and waiver of subrogation endorsement to GPA prior to commencement of work showing evidence of such coverage, including the statement to the effect that cancellation or termination of the insurance shall not be effective until at least (10) days after receipt of written notice to GPA. At all times PMC's insurance shall be primary to any other insurance that may be carried by GPA. The statement of limits of insurance coverage shall not be construed as in any way limiting the PMC's liability under this agreement. GPA shall be an additional insured on all liability coverage and certificates of insurance shall clearly indicate such.

35.4. Insurance Company and Agent.

All insurance policies herein required of the PMC shall be written by a company duly authorized and licensed to do business in the State or Territory where work under this contract is being performed and be executed by some agent thereof duly licensed as an agent in said State or Territory.”

All other terms and condition of the Contract as amended shall remain unchanged.

SO AGREED this _____ day of _____ 2026 by:

For the Guam Power Authority:

JOHN M. BENAVENTE, P.E.
General Manager

For Supreme Group Guam, LLC
(Company Seal):

DARREL DE LA PAZ
General Manager

APPROVED AS TO FORM BY:

MARIANNE WOLOSCHUK
GPA Staff Attorney

Date: _____