RESOLUTION NO. 2016-50

RELATIVE TO AUTHORIZING THE MANAGEMENT OF GUAM POWER AUTHORITY TO ISSUE THE PMC A NOTICE TO PROCEED FOR EARLY MATERIAL PROCUREMENT FOR THE CABRAS UNIT 1 MAJOR OVERHAUL

WHEREAS, Guam Power Authority (GPA) and Taiwan Electrical and Mechanical Engineering Services, Inc. TEMES entered into a five-year Performance Management Contract (PMC) for Cabras 1 & 2, which commenced on October 1, 2010; and

WHEREAS, this Performance Management Contract has been extended until December 31, 2016; and

WHEREAS, a scheduled routine overhaul for Cabras Unit #1 is planned for July 15, 2017; and

WHEREAS, the outage schedule is for 50 days, starting on July 15, 2017 through September 3, 2017; and

WHEREAS, Cabras Unit #1’s last major overhaul was completed in December 2013 and the unit has been in operation for 33 months without a major overhaul and will be running for 40 months before the scheduled overhaul; and

WHEREAS, as part of the overhaul, the Cabras Unit #1 Air Preheater Baskets, Archway Tubes, and Inlet Vane Control Assembly have been identified for replacement; and

WHEREAS, material for these replacements are long lead items; and

WHEREAS, lead times for material delivery are as follows:
- Air Preheater Baskets – 29 Weeks
- Archway Tubes – 36 Weeks
- Inlet Vane Control Assembly – 20 Weeks
- Burner Front System Components – 20 Weeks

WHEREAS, replacing the existing air preheater baskets, archway tubes, inlet vane control assembly, and burner front system components will improve unit availability, operation efficiency, and maximize unit output; and

WHEREAS, the Air Preheater Baskets ($233,390), Archway Tubes ($294,459), Inlet Vane Control Assembly ($127,808), and Front Burner System Components ($500,000) materials have a combined cost of $1,155,657; and

WHEREAS, this project is programmed under revenue funds; and
WHEREAS, the Authority is requesting that the CCU Board authorize the General Manager to issue TEMES a Notice to Proceed for early procurement of these materials in anticipation of the scheduled Cabras Unit 1 overhaul.

NOW, THEREFORE, BE IT RESOLVED, by the Consolidated Commission on Utilities as follows:

1. After careful consideration, the Consolidated Commission on Utilities finds the early procurement of Air Preheater Baskets, Archway Tubes, Inlet Vane Control Assembly, and Burner Front System materials for Cabras Unit 1 to be reasonable, prudent, and necessary for the reliable and efficient operations of the generating plant.

2. The General Manager of GPA is authorized to issue a notice to proceed to TEMES for the early procurement of Cabras Unit 1 Air Preheater Baskets, Archway Tubes, Inlet Vane Control Assembly, and Burner Front System materials at a cost of $1,155,657.

DULY AND REGULARLY ADOPTED this 27th day of September, 2016.

Certified by:  

JOSEPH T. DUENAS  
Chairman

Attested by:  

GEORGE BAMBA  
Secretary
SECRETARY’S CERTIFICATE

I, J. George Bamba, Secretary for the Consolidated Commission on Utilities do hereby certify that the foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting of the members of Guam’s Consolidated Commission on Utilities, duly and legally held at the meeting place thereof on September 27, 2016, at which meeting of all said members had due notice and at which at least a majority thereof were present, and

At said meeting said resolution was adopted by the following vote:

Ayes: 3
Nays: 0
Absent: 2
Abstain: 0

Said original resolution has not been amended, modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

SO CERTIFIED this 27th day of September, 2016.

[Signature]

J. George Bamba
Secretary
Consolidated Commission on Utilities