



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority • Guam Waterworks Authority
P.O. BOX 2977 • Agana, Guam 96932

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

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8 **WHEREAS**, Guam Power Authority (GPA) and Taiwan Electrical and Mechanical Engineering
9 Services, Inc. TEMES entered into a five-year Performance Management Contract (PMC) for Cabras 1 &
10 2, which commenced on October 1, 2010; and

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12 **WHEREAS**, this Performance Management Contract has been extended until December 31,
13 2016; and

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

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17 **WHEREAS**, the outage schedule is for 50 days, starting on July 15, 2017 through September 3,
18 2017; and

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

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

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

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29 **WHEREAS**, lead times for material delivery are as follows:

- 30 • Air Preheater Baskets – 29 Weeks
- 31 • Archway Tubes – 36 Weeks
- 32 • Inlet Vane Control Assembly – 20 Weeks
- 33 • Burner Front System Components – 20 Weeks

34
35 **WHEREAS**, replacing the existing air preheater baskets, archway tubes, inlet vane control
36 assembly, and burner front system components will improve unit availability, operation efficiency, and
37 maximize unit output; and

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

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43 **WHEREAS**, this project is programmed under revenue funds; and

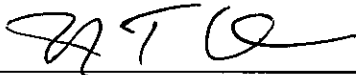
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2 **WHEREAS**, the Authority is requesting that the CCU Board authorize the General Manager to
3 issue TEMES a Notice to Proceed for early procurement of these materials in anticipation of the
4 scheduled Cabras Unit 1 overhaul.
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6 **NOW, THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on Utilities as follows:
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- 8 1. After careful consideration, the Consolidated Commission on Utilities finds the early
9 procurement of Air Preheater Baskets, Archway Tubes, Inlet Vane Control Assembly, and Burner
10 Front System materials for Cabras Unit 1 to be reasonable, prudent, and necessary for the
11 reliable and efficient operations of the generating plant.
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- 13 2. The General Manager of GPA is authorized to issue a notice to proceed to TEMES for the early
14 procurement of Cabras Unit 1 Air Preheater Baskets, Archway Tubes, Inlet Vane Control
15 Assembly, and Burner Front System materials at a cost of \$1,155,657.
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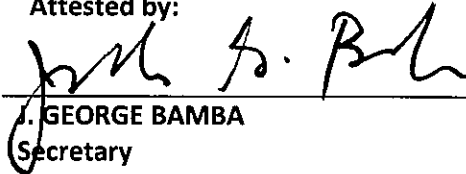
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18 **DULY AND REGULARLY ADOPTED** this 27th day of September, 2016.
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Certified by:



JOSEPH T. DUENAS
Chairman

Attested by:



J. GEORGE BAMBA
Secretary

SECRETARY'S CERTIFICATE

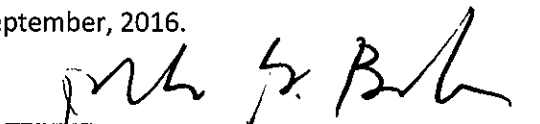
1 I, J. George Bamba, Secretary for the Consolidated Commission on Utilities do hereby certify
2 that the foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting of
3 the members of Guam's Consolidated Commission on Utilities, duly and legally held at the meeting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

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

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8 Ayes: 3
9 Nays: 0
10 Absent: 2
11 Abstain: 0

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

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16 **SO CERTIFIED** this 27th day of September, 2016.

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19 _____
20 J. George Bamba
21 Secretary
22 Consolidated Commission on Utilities