



**RESOLUTION NO. 2017-41**

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE PUBLIC UTILITIES COMMISSION FOR THE EXTENSION OF THE ULTRA LOW SULFUR DIESEL (ULSD) FUEL OIL CONTRACT FOR SIX (6) MONTHS WITH ISLA PETROLEUM AND ENERGY, LLC (IP&E)**

**WHEREAS**, the three (3) year base period for the Diesel Fuel Oil No.2 Supply Contract (GPA-029-14) between the Guam Power Authority (herein after referred to as "GPA") Mobil Oil Guam (herein after referred to as "Mobil") and Isla Petroleum and Energy, LLC (herein after referred to as "IP&E") will expire on December 31, 2017; and

**WHEREAS**, GPA canceled the solicitation for a new Diesel Fuel Oil No. 2 supply contract to restructure the specifications to reflect the changes to GPA's needs and requirements; and

**WHEREAS**, GPA anticipates that the award and commencement of the new Diesel Fuel Oil No. 2 supply contract on or about July 01, 2018; and

**WHEREAS**, GPA requires a contract extension for six (6) months from January 01, 2018 to June 30, 2018; and

**WHEREAS**, Mobil & IPE submitted its fixed premium fee proposal for a six-month extension period for the following site locations: Cabras 1&2, MEC 8&9, Aggreko, Yigo CT, Dededo CT, Macheche CT, TEMES CT, Menenggon, and Talofoyo; and

**WHEREAS**, GPA has evaluated the premium fee proposals as summarized in Schedule A; and

**WHEREAS**, Mobil's fixed premium fee proposal for the 6-month extension period will significantly increase by about \$0.3580/gallon (from \$0.1920/gallon to \$0.5500/gallon); and

**WHEREAS**, IP&E's fixed premium fee for the 6-months extension will increase by about \$0.0800/gallon (from \$0.2700/gallon to \$0.3500/gallon); and

**WHEREAS**, GPA has determined the Mobil premium fee proposal to be about \$0.2000/gallon more than the IP&E premium fee proposal; and

**WHEREAS**, GPA has determined the IP&E premium fee proposal to be reasonable and will provide the best benefit to GPA customers. The premium fee increase is attributed to the price escalation and cost to recover the investment for additional tanker trucks and drivers needed to meet GPA's requirement for the six-month extension period.

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**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:

1. The Guam Power Authority is hereby authorized to enter into a 6-month contract extension with IP&E for the supply of Diesel Fuel Oil No.2 for an estimated quantity of 16 million gallons of ULSD at a premium fee cost of \$0.3500/gallon, for a total cost of approximately \$5.6 million.
2. The General Manager of the Guam Power Authority is hereby authorized an increase in obligating authority over \$750,000.00 and execute such agreements and documents necessary for a contract extension with IP&E.

**RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the Commission attests the adoption of this Resolution. **DULY and REGULARLY ADOPTED this 26th day of September 2017.**

**Certified by:**



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**JOSEPH T. DUENAS**  
**CHAIRMAN**

**Attested by:**



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**J. GEORGE BAMBA**  
**SECRETARY**

**FRANCIS E. SANTO**  
**VICE CHAIR**

63 I, **J. George Bamba**, Board Secretary of the Consolidated Commission on Utilities (CCU) as  
64 evidenced by my signature above do hereby certify as follows:

65 The foregoing is a full, true and correct copy of a resolution duly adopted at a regular  
66 meeting of the members of Guam Consolidated Commission on Utilities, duly and legally held at a  
67 place properly noticed and advertised at which meeting a quorum was present and the members  
68 who were present voted as follow

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70 Ayes: 4

71 Nays: 0

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73 Absent: 0

74 Abstain: 1

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