RESOLUTION NO. 25-FY2018

RELATIVE TO APPROVAL OF THE CONTRACT WITH TOTAL CHEMICALS AND JMI-EDISON FOR THE ADDITIONAL PURCHASE OF WASTEWATER CHEMICALS FOR WASTEWATER TREATMENT PLANTS

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities ("CCU") has plenary authority over financial, contractual, and policy matters relative to the Guam Waterworks Authority ("GWA"); and

WHEREAS, the Guam Waterworks Authority ("GWA") is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, GWA currently has a number of critical 2011 Court Order ("CO") Projects, including construction of system upgrade of the Northern District WWTP to use Chemically Enhanced Primary Treatment as specified in § II A Paragraph 2 of the CO; and

WHEREAS, GWA has completed the system upgrade of the Hagatna WWTP to use Chemical Enhanced Primary Treatment and is now operating it as specified in § II A Paragraph 5 of the CO; and

WHEREAS, the Chemically Enhanced Primary Treatment at the Northern District WWTP and the Hagatna WWTP requires purchase of chemicals for the application of the treatment process; and

WHEREAS, on July 30, 2015 GWA filed a Petition with the Guam Public Utilities Commission ("PUC") for approval to issue a bid for the chemicals for the Northern District and Hagatna wastewater treatment facilities; and GWA Petition was approved by the PUC on August 27, 2015; and
WHEREAS, GWA issued Bid Number 2015-10 to solicit bid proposals from experienced and responsive bidders to provide the chemicals needed to continue to operate the Northern District WWTP and the Hagatna WWTP in compliance with the Court Order; and

WHEREAS, there were two responsive and responsible bidders who offered chemicals meeting requirements in IFB 2015-10 (see Exhibit A); and

WHEREAS, the IFB 2015-10 offers were evaluated by GWA's review committee and GWA's review committee determined that the best offer for Anionic Polymer and Inorganic Coagulant ("ACH") (for sludge dewatering) was made by Total Chemical Resources, Inc; (see Exhibit B); and

WHEREAS, GWA's review committee also determined that the best offer for Cationic Polymer was made by JMI-Edison (See Exhibit C); and

WHEREAS, GWA accepted Total Chemical Resources, Inc.’s bid proposal (see Exhibit D) of $1.40/lb. for Anionic Polymer at an estimated annual cost of One Hundred Fifty Six Thousand Four Hundred Sixty Eight Dollars and Twenty Cents ($156,468.20), and for a three (3) year contract in the amount of Four Hundred Sixty Nine Thousand Four Hundred Four Dollars and Sixty Cents ($469,404.60) and for Inorganic Coagulant (ACH) at $1.06/lb. for an estimated annual cost of Eight Hundred Fifty One Thousand Seven Hundred Thirty Nine Dollars and Sixty-Eight Cents ($851,739.68), for a three (3) year contract in the amount of Two Million Five Hundred Fifty Five Thousand Two Hundred Nineteen Dollars and Forty Cents ($2,555,219.04), with a Grand Total to supply both Anionic Polymer and Inorganic Coagulant (ACH) for the Northern District WWTP and Hagatna WWTP is Three Million Twenty Four Thousand Six Hundred Twenty Three Dollars and Sixty-Four Cents ($3,024,623.64) as specified in IFB 2015-10; and

WHEREAS, GWA accepted JMI-Edison’s bid proposal (Exhibit E) of $1.45/lb. for Cationic Polymer for an estimated annual cost of Two Hundred Thousand One Hundred Eighty Eight Dollars and Forty-Five Cents ($200,188.45), and for a three (3) year contract for a total amount of Six Hundred Thousand Five Hundred Sixty Five Dollars and Thirty-Five Cents...
($600,565.35) to supply Cationic Polymer for the Northern District WWTP, Hagatna WWTP
and Agat-Sta Rita WWTP for three (3) years as specified in GWA IFB 2015-10; and

WHEREAS, CCU approved the three (3) year contract with Total Chemical Resources in the amount of Three Million Twenty-Four Thousand Six Hundred Twenty-Three Dollars and Sixty-Four Cents ($3,024,623.64) for the chemicals Anionic Polymer and Inorganic Coagulant (ACH); and

WHEREAS, CCU approved the three (3) year contract with JMI-Edison in the amount of Six Hundred Thousand Five Hundred Sixty-Five Dollars and Thirty-Five Cents ($600,565.35) for the chemical Cationic Polymer; and

WHEREAS, the total amount expensed as of February 2018 is Two Million Eight Hundred Sixty-Four Thousand One Hundred Thirty-Three Dollars and Fourteen Cents ($2,864,133.14) for Anionic Polymer and Inorganic Coagulant and Three Hundred Sixty-Five Thousand Four Hundred Dollars ($365,400.00) for Cationic Polymer; and

WHEREAS, the amount required to purchase until the end of the contract for Anionic Polymer and Inorganic Coagulant, is One Hundred Eighty-Five Thousand Five Hundred Sixty Dollars and Eighty Cents ($185,560.80); and an additional amount of Three Hundred One Thousand One Hundred Seventy Dollars and Seventy-Five Cents ($301,170.75) for a 90-day chemical inventory which sums up to Four Hundred Eighty-Six Thousand Seven Hundred Thirty-One Dollars and Fifty-Five Cents ($486,731.55). The new total amount for the three (3) year contract with Total Chemical will now be Three Million Five Hundred Eleven Thousand Three Hundred Fifty-Five Dollars and Nineteen Cents ($3,511,355.19); and

WHEREAS, the original approved amount of Six Hundred Thousand Five Hundred Sixty-Five Dollars and Thirty-Five Cents ($600,565.35) for the three (3) year contract with JMI is sufficient until the end of the contract period; and
WHEREAS, GWA seeks approval for an additional purchase of wastewater treatment chemicals Anionic Polymer and Inorganic Coagulant (ACH) in the total amount of Four Hundred Eighty-Six Thousand Seven Hundred Thirty-One Dollars and Fifty-Five Cents ($486,731.55); and

WHEREAS, the source of funding for the additional chemical purchases will be FY2018 and FY2019 Wastewater Operations Budget; and

NOW BE IT THEREFORE RESOLVED, the Consolidated Commission on Utilities does hereby approve the following:

1. The recitals set forth above hereby constitute the findings of the CCU.

2. The CCU hereby authorizes the management to purchase additional Anionic Polymer in the amount of One Hundred Thousand Seventy-Seven Four Hundred Eighty-Five Dollars and Twenty-One Cents ($177,485.21) and Inorganic Coagulant (ACH) in the amount of Three Hundred Nine Thousand Two Hundred Forty-Six Dollars and Thirty-Four Cents ($309,246.34) with a total amount of Four Hundred Eighty-Six Thousand Seven Hundred Thirty-One Dollars and Fifty-Five Cents ($486,731.55) with Total Chemical Resources.

3. GWA Management is hereby authorized to seek PUC approval as required by Docket No. 00-04.

RESOLVED, that the Chairman certified and the Board Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED, this 27th day of March, 2018.

Certified by: 

Attested by: 

JOSEPH T. DUENAS 
Chairperson 

J. GEORGE BAMBA 
Secretary
SECRETARY’S CERTIFICATE

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

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 the members who were present voted as follows:

AYES: 5

NAYS: 0

ABSTENTIONS: 0

ABSENT: 0
EXHIBIT A
MEMORANDUM

TO: General Manager
VIA: Supply Management Administrator
FROM: Evaluation Committee Members
SUBJECT: Invitation to Bid No. GWA 2015-10
Ref: Wastewater Treatment Chemicals

Invitation for Bid No: GWA 2015-10 was officially announced and advertised in the Pacific Daily News, Marianas Variety and Guam Waterworks Authority Website on September 24, 2015 and open as scheduled on October 15, 2015 @ 10:00am twenty (20) prospective bidders expressed their interests by acknowledging receipt of the bid package thru GWA’s website.

Bidders Register:

1. Total Chemical Resources, Inc.
2. Canton Construction Corp.
3. DSGDSFG
4. HDR
5. JMI-Edison
6. Island Equipment Co.
7. M.D. Wholesale
8. Bei Hawaii
9. Carus Corp.
10. Monhar Construction.
11. VMB Trading Co.
12. Sei Machinery LLC.
13. Culligan Pacific
14. Student Construction
15. Guam Pacific Enterprise
16. America's Best Electricmart
17. Gulbransen Technologies
18. SS
19. D. Mullis Insurance
20. Polydyne Inc.

Of the twenty (20) only two (2) submitted their bid package namely:

- Total Chemical Resource
- JMI-Edison

An evaluation committee was formally assembled and met on October 22, 2015 @ 11:00am in GPWA conference room 1st floor to review/discuss and evaluate the bid.
Committee members consist of:

- Antonio Camacho
- Paul Kemp
- Dan Agun
- Dave Fletcher

The committee members reviewed the bid proposals and have determined both prospective bidders Total Chemical and JMI-Edison respectfully submitted a reasonable and fair cost and is awarded based on the lowest annual cost as specified in the IFB, as follows:

**Total Chemical to be awarded as follows:**

Item No. 1: Inorganic Coagulant,
Price per pound delivered CIF: $1.06
Product Label Name: Achieva D1012 ACH Powder

$1.06 x 803.528 = $851.739.68 (Annual Cost)

Item No. 2: Coagulant Aid (e.g. anionic polymer)
Price per pound delivered CIF: $1.40
Product Label Name: Nalclear 7767 Anionic Flocculent

$1.40 x 111.763 = $156.468.20 (Annual Cost)

**JMI Edison to be awarded as follows:**

Item No. 3: Cationic Polymer
Price per pound delivered CIF: $1.45
Product Label Name: Hydrex 6402 Cationic Emulsion Polymers

$1.45 x 138.061 = $209.188.45 (Annual Cost)

After a thorough evaluation the committee members agreed to and accept the submitted bid offers from both Total Chemical Resources and JMI Edison and have been determined they respectfully complied with all specifications and requirements set forth in this IFB. In closing, the committee members respectfully request your approval to proceed with the award.

**Bid Summary:**

This is an “Indefinite Quantity Bid” pursuant to the Guam Procurement Regulations. The quantities reflected in the bid are estimated requirements only and not guaranteed minimums.
Delivery:

The vendor will be responsible for all cost and all risks associated with the provision of these goods until delivery is made and the items are formally accepted by GWA. All goods shall be delivered in its manufacturer's original factory sealed containers to Guam Waterworks Authority Northern District Wastewater Treatment Plant and Hagatna Wastewater Treatment Plants. Delivery time is 60 days from the date on the Notice to Proceed.

Contract Term:

GWA and the lowest responsible bidder may enter into a contract (which may be in the form of a Purchase Order) on terms acceptable to GWA and which shall in all cases incorporate the terms of this bid whether stated on the Purchase Order or not, which shall commence upon vendor's acknowledged receipt of a Notice to Proceed from GWA. The initial term of the contract is for three (3) years fixed price term with option to renew for additional two (2) one (1) year term, all prices shall be fixed for the initial one (1) year term. All purchases are subject to availability of funds.

Concurred and accepted by the committee members:

Paul Kemp, Assistant General Manager Compliance & Safety

Dan Aguon, Wastewater Plant Superintendent

Dave Fletcher, Operations and Maintenance Manager

Antonio Camacho, Buyer II Procurement

Your approval is greatly appreciated.

Peter Salas
Note: Fund Certification form reviewed, signed and approved dated on Sept 10, 2015
GL Account Number: 7003.71802.430 (Estimated cost: $1,534,307.00 - Pending approval of FY 2016 budget.)

In consideration of the foregoing, please indicate your approval of this recommendation by your signature below.

[ ] CONCURRED  [ ] UNCONCURRED

VINCENT ED. GUERRERO, SMA

[ ] APPROVED  [ ] DISAPPROVED

MARK G. MILLER, GENERAL MANAGER, INTERIM
BID FORM FOR CHEMICALS FOR GWA'S NDWWTP AND EWWTP
(TO BE PLACED IN A SEALED ENVELOPE AND
DELIVERED WITH TECHNICAL PROPOSAL)

1. Inorganic Coagulant,

Product: ACH Powder (ACHIEVE D1012) Price per pound delivered CIF $ 1.08 per pound
Manufacturer: GULBRANDSEN Technologies (India) Pvt. Inc.
Product Label Name: ACHIEVE D1012 ACH POWDER
Place of Origin: Gujarat, India

Time of first Delivery: 90 days (days)
After Receipt of Purchase Order
Reorder lead time: 30 days (days)
Upon Receipt of Purchase Order

2. Coagulant Aid (e.g. anionic polymer) Price per pound delivered CIF $ 1.40 per pound
Manufacturer: NALCO An Ecolab Company
Product Label Name: NALCLEAR 7787 Anionic Flocculant
Place of Origin: Naperville, Illinois U.S.A.

Time of first Delivery: 45 days (days)
After Receipt of Purchase Order
Reorder lead time: 30 days (days)
Upon Receipt of Purchase Order

3. Cationic Polymer Price per pound delivered CIF $ 1.75 per pound
Manufacturer: NALCO An Ecolab Company
Product Label Name: OPTIMER 7194 Cationic Flocculant
Place of Origin: Naperville, Illinois U.S.A.

Time of first Delivery: 48 days (days)
After Receipt of Purchase Order
Reorder lead time: 30 days (days)
Upon Receipt of Purchase Order

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Jerry A. Flores
Chief Financial Officer
Total Chemical Resources, Inc.
BID FORM FOR CHEMICALS FOR GWA'S NDWWTP AND HWWTP
(TO BE PLACED IN A SEALED ENVELOPE AND DELIVERED WITH TECHNICAL PROPOSAL)

1. Inorganic Coagulant,
   
   Product: Aluminum Chlorohydrate  
   Price per pound delivered CIF: $1.42 per pound

   Manufacturer: Summit Research Labs

   Product Label Name: Sumalchlo 200

   Place of Origin: U.S.A.

   Time of first Delivery: As Per GWA Requirements (days)
   
   After Receipt of Purchase Order

   Reorder lead time: As Per GWA Requirements (days)
   
   Upon Receipt of Purchase Order

2. Coagulant Aid (e.g. anionic polymer)  
   Price per pound delivered CIF: $1.29 per pound

   Manufacturer: Veolia Water Treatment Technologies

   Product Label Name: HYDREX 6104 Anionic Polymers

   Place of Origin: Korea

   Time of first Delivery: As Per GWA Requirements (days)
   
   After Receipt of Purchase Order

   Reorder lead time: As Per GWA Requirements (days)
   
   Upon Receipt of Purchase Order

3. Cationic Polymer  
   Price per pound delivered CIF: $1.45 per pound

   Manufacturer: Veolia Water Treatment Technologies

   Product Label Name: HYDREX 6402 Cationic Emulsion Polymers

   Place of Origin: Korea

   Time of first Delivery: As Per GWA Requirements (days)
   
   After Receipt of Purchase Order

   Reorder lead time: As Per GWA Requirements (days)
   
   Upon Receipt of Purchase Order
GUAM WATERWORKS AUTHORITY

Gloria B. Nelson Public Services Building
688 Route 15, Mangilao, Guam 96913

PRIORITY

REVIEW FORM

This IFB 2015-10 / Wastewater Treatment Chemicals will be acquired by means of competitive bid process through GWA Procurement Office. Below are the following divisions who concurred and agree to proceed.

Requested by: [Signature] Date: 9/10/2015

Concurred By:

Supply Management Admin: [Signature] Date: 9/14/15

Review by Budget: [Signature]

Pending approval of FY 2016 Budget

Estimated cost: $ FY16 - 4,534,307.00

NOTE: FY 2015 Budget - No Balance
FY 2016 Budget - Approved Funding Proposed: Paid for FY 16 Only.
EXHIBIT B
GUAM WATERWORKS AUTHORITY  
Gloria B. Nelson Public Service Building  
688 Route 15, Mangilao GU, 96913

NOTICE OF CONDITIONAL AWARD

Date 11/03/2015

Mr. Glen Canovas  
Total Chemical Resources Inc.  
P.O. Box 20730  
Hagatna, Guam 96921  
Tel. No: 646-4742  
Fax No: 649-0447

Re: Invitation for Bid Number: IFB 2015-10 Wastewater Treatment Chemicals

Hafa Adai,

The Guam Waterworks Authority ("GWA") has considered the bid submitted by Total Chemicals Resource for the above described reference in response to its Advertisement for Bids dated September 24, 2015 and you are hereby notified that the bid cost for Item No. 1: Inorganic Coagulant and Item No. 2: Coagulant Aid (Antisettic Polymer) has been accepted by GWA. Please be advised that you must now deliver all other documents required by the bid, including, but not limited to, proof of insurance and the Performance and Payment Bond (which must remain in full force and effect until all performance has ended, which includes all warranty periods).

You are also advised that any obligation incurred by your firm prior to execution of the contract is entirely at your own risk and GWA shall have no obligation to reimburse costs incurred prior to execution of the contract.

Please note this Notice of Award is conditional on obtaining the approval of the Guam Consolidated Commission on Utilities for any award over $250,000 and the approval of the Guam Public Utilities Commission where the total value over the life of the contract could exceed $1 M. Also, award is conditional upon providing any documents such as proof of licensure, proof of insurance or other documents required to be submitted to GWA under the Bid or Guam law.
You are required to return an acknowledged copy of this Conditional Notice of Award to the Procurement & Supply Administrator.

Sincerely,

Mark Miller,
General Manager (Interim)

ACCEPTANCE OF CONDITIONAL NOTICE OF AWARD

Receipt of the above Notice of Conditional Award for GWA IFB 2015-10 is hereby acknowledged

By: ___________________________ Title: JERRY A. FLORES - C.E.O.
Signature
(please print)

Dated this 3rd day of NOVEMBER, 2015.

****** END OF CONDITIONAL NOTICE OF AWARD ******
GUAM WATERWORKS AUTHORITY
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao GU, 96913

NOTICE OF CONDITIONAL AWARD

Date 11/03/2015

Mr. Jeff Paeste
JMI-Edison
125 North Marine Corps. Dr.
Tamuning, Guam 96913
Tel No: 646-6400
Fax No: 649-4835

Re: Invitation for Bid Number: IPB 2015-10 Wastewater Treatment Chemicals

Hafiz Adai,

The Guam Waterworks Authority ("GWA") has considered the bid submitted by JMI-Edison for the above described reference in response to its Advertisement for Bids dated September 24, 2015 and you are hereby notified that the bid cost for Item No.3 Cationic Polymer has been accepted by GWA. Please be advised that you must now deliver all other documents required by the bid, including, but not limited to, proof of insurance and the Performance and Payment Bond (which must remain in full force and effect until all performance has ended, which includes all warranty periods).

You are also advised that any obligation incurred by your firm prior to execution of the contract is entirely at your own risk and GWA shall have no obligation to reimburse costs incurred prior to execution of the contract.

Please note this Notice of Award is conditional on obtaining the approval of the Guam Consolidated Commission on Utilities for any award over $250,000 and the approval of the Guam Public Utilities Commission where the total value over the life of the contract could exceed $1M. Also, award is conditional upon providing any documents such as proof of licensure, proof of insurance or other documents required to be submitted to GWA under the Bid or Guam law.
You are required to return an acknowledged copy of this Conditional Notice of Award to the Procurement & Supply Administrator.

Sincerely,

[Signature]

Mark Miller,
General Manager (Interim)

ACCEPTANCE OF CONDITIONAL NOTICE OF AWARD

Receipt of the above Notice of Conditional Award for GWA IFB.2015-10 is hereby acknowledged.

By: [Signature] Title: Operations Manager (please print)

Dated this 9th day of November, 2015.

END OF CONDITIONAL NOTICE OF AWARD
EXHIBIT D
BID FORM FOR CHEMICALS FOR GWA'S NDWWTP AND HWWTP
(TO BE PLACED IN A SEALED ENVELOPE AND
DELIVERED WITH TECHNICAL PROPOSAL)

1. Inorganic Coagulant,
   Product: ACH Powder (ACHIEVE D1012) Price per pound delivered CIF $ 1.08 per pound
   Manufacturer: GULBRANDSEN Technologies (India) Pvt. Inc.
   Product Label Name: ACHIEVE D1012 ACH POWDER
   Place of Origin: Gujarat, India
   Time of first Delivery: 90 days (days)
   After Receipt of Purchase Order
   Record lead time: 30 days (days)
   Upon Receipt of Purchase Order

2. Coagulant Aid (e.g. anionic polymer) Price per pound delivered CIF $ 1.40 per pound
   Manufacturer: NALCO An Ecolab Company
   Product Label Name: NALCLEAR 7767 Anionic Flocculant
   Place of Origin: Naperville, Illinois U.S.A.
   Time of first Delivery: 45 days (days)
   After Receipt of Purchase Order
   Record lead time: 30 days (days)
   Upon Receipt of Purchase Order

3. Cationic Polymer Price per pound delivered CIF $ 1.75 per pound
   Manufacturer: NALCO An Ecolab Company
   Product Label Name: OPTIMER 7194 Cationic Flocculant
   Place of Origin: Naperville, Illinois U.S.A.
   Time of first Delivery: 45 days (days)
   After Receipt of Purchase Order
   Record lead time: 30 days (days)
   Upon Receipt of Purchase Order

   [Signature]
   Date: 10/4/16
   Chief Financial Officer
   Total Chemical Resources, Inc.
BID FORM FOR CHEMICALS FOR GWA'S NDWWTP AND HWWTP
(TO BE PLACED IN A SEALED ENVELOPE AND DELIVERED WITH TECHNICAL PROPOSAL)

1. Inorganic Coagulant,

Product: Aluminum Chlorohydrate  Price per pound delivered CIF $1.42 per pound

Manufacturer: Summit Research Labs

Product Label Name: Sumalchlor 200

Place of Origin: U.S.A.

Time of first Delivery: As Per GWA Requirements (days)
After Receipt of Purchase Order

Recorder lead time: As Per GWA Requirements (days)
Upon Receipt of Purchase Order

2. Coagulant Aid (e.g. anionic polymer) Price per pound delivered CIF $1.29 per pound

Manufacturer: Veolia Water Treatment Technologies

Product Label Name: HYDREX 6104 Anionic Polymers

Place of Origin: Korea

Time of first Delivery: As Per GWA Requirements (days)
After Receipt of Purchase Order

Recorder lead time: As Per GWA Requirements (days)
Upon Receipt of Purchase Order

3. Cationic Polymer  Price per pound delivered CIF $1.45 per pound

Manufacturer: Veolia Water Treatment Technologies

Product Label Name: HYDREX 6402 Cationic Emulsion Polymers

Place of Origin: Korea

Time of first Delivery: As Per GWA Requirements (days)
After Receipt of Purchase Order

Recorder lead time: As Per GWA Requirements (days)
Upon Receipt of Purchase Order