



RESOLUTION NO. 04-FY2019

**RELATIVE TO THE APPROVAL OF A MULTI-YEAR
LEASE AGREEMENT FOR HEAVY EQUIPMENT**

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, the GWA General Manager has determined that the rate-payers will be best served by the Authority performing many of the smaller CIP projects and water and wastewater repairs using in-house crews, for which reliable, operating heavy equipment is needed; and

WHEREAS, GWA Water Distribution Division and Wastewater Collections Division are frequently delayed in performing regular repair activities because of a shortage of heavy equipment, and the frequent repairs to GWA’s ageing equipment fleet to keep them operational; and

WHEREAS, GWA frequently incurs additional costs for short-term equipment rentals to augment daily operations when GWA’s own equipment is inoperable; and

WHEREAS, the GWA General Manager requests approval from the CCU to enter into a five (5) year lease to provide multiple pieces of heavy equipment for in-house use by GWA; and

1 **WHEREAS**, GWA went out for procurement on May 31, 2018 through IFB-2018-12
2 for the following nine pieces of equipment:

- 3 • (3 each) 4-wheel drive backhoes
- 4 • (3 each) heavy-duty trailers
- 5 • (3 each) tandem dump trucks

6 inclusive of full service and maintenance programs for the full term of the lease; and

7
8 **WHEREAS**, although four bidders picked up the procurement packet, two bidders
9 attended the mandatory pre-bid conference, only one bidder submitted a formal bid; and

10
11 **WHEREAS**, after several bid opening extensions required by extensive bidder
12 questions, the bid was opened on September 18, 2018; and

13
14 **WHEREAS**, Morrico Equipment, LLC was the sole bidder on the procurement (See
15 Exhibit A for pricing and specifications); and

16
17 **WHEREAS**, the monthly lease payment for each piece of equipment varied
18 substantially depending on the number of months the lease is in effect; and

19
20 **WHEREAS**, a simple analysis on the pricing variations between the 3, 4 and 5 year
21 options clearly shows that the five-year option was the highest and best use of rate-payer funds
22 for this equipment (See Exhibit A - Yearly Bid Pricing); and

23
24 **WHEREAS**, while a three (3) year term would be within the General Manager's
25 discretionary spending authority, the five (5) year term lease charges are twenty-nine (29%)
26 lower on an annual basis; and

27
28 **WHEREAS**, to increase the availability of the minimum amount of operating heavy
29 equipment necessary for daily operations, and to facilitate self-performing pipeline
30 maintenance and small water and wastewater projects, three truck-trailer-backhoe equipment
31 sets are necessary; and
32

1 **WHEREAS**, GWA Management seeks CCU approval of the five (5) year contract
2 lease with Morrico Equipment, LLC in the amount of One Million One Hundred Sixty
3 Thousand Eight Hundred Twenty-Nine Dollars (\$1,160,829.00) for five (5) years (\$19,347.00
4 per month) (see Exhibit B – Projected Payment Schedule); and

5
6 **WHEREAS**, GWA further seeks CCU approval to petition the PUC for its approval
7 under the Contract Review Protocol to award the lease to Morrico Equipment, LLC in the
8 amount of One Million One Hundred Sixty Thousand Eight Hundred Twenty-Nine Dollars
9 (\$1,160,829.00) for five (5) years (\$19,347.00 per month); and

10
11 **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities,
12 as the Governing Body of the Guam Waterworks Authority, does hereby approve and authorize
13 the following:

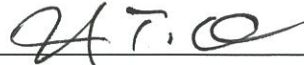
- 14
15 1. The recitals set forth above hereby constitute the findings of the CCU.
16 2. The CCU finds that the terms of the proposed lease agreement submitted by
17 Morrico Equipment, LLC is reasonable, prudent and necessary.
18 3. The CCU hereby further authorizes the management of GWA to enter into a
19 lease agreement with Morrico Equipment, LLC, to provide nine (9) pieces
20 of heavy equipment for GWA in-house crews for a term of five (5) years as
21 specified in the IFB 2018-12.
22 4. The CCU hereby further approves the funding total of One Million One
23 Hundred Sixty Thousand Eight Hundred Twenty-Nine Dollars
24 (\$1,160,829.00) over five (5) years (Exhibits A and B).
25 5. GWA Management is authorized to seek approval from the PUC as required
26 under the Contract Review Protocol, to award the lease to Morrico
27 Equipment, LLC.
28 6. The CCU further determines that GWA may use this Resolution as a
29 justification under Section 6 of the Contract Review Protocol.


30
31 **RESOLVED**, that the Chairman certified and the Board Secretary attests to the
32 adoption of this Resolution.

1 **DULY AND REGULARLY ADOPTED**, this 27nd day of November, 2018.

2
3 Certified by:

Attested by:

4 
5
6 **JOSEPH T. DUENAS**
7 Chairperson


8
9 **J. GEORGE BAMBA**
10 Secretary

11 **SECRETARY'S CERTIFICATE**

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

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

18 AYES: _____ 5 _____
19 NAYS: _____ 0 _____
20 ABSTENTIONS: _____ 0 _____
21 ABSENT: _____ 0 _____



Exhibit A



—Employee Owned—

Sales, Rental, Parts and Service

GUAM 96913

Phone: 1-671-649-1946

FAX: 1-671-649-1947

OFFICE:

SPARE PARTS:

Phone: 1-671-646-7914

Fax: 1-671-646-7900

WEB:

www.morricequipment.com



Miguel C. Bordallo, General Manger
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913

Vince Guerrero, SMA
Guam Waterworks Authority
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688 Route 15
Mangilao, Guam 96913

COPY

Guam Waterworks Authority Invitation to Bid GWA IFB No. 2018-12 Heavy Equipment Lease

Dated : 18 September 2018
10:00 am

Submitted By :
Morrigo Equipment LLC
197 Ypao Road
Tamuning, Guam 96913

ON-SITE DIESEL DELIVERY



I. BID ITEM(S)

Long Term Operating Lease & Maintenance Agreement for following:

Item No.	Description	Qty	Cost Year 1	Cost Year 2	Cost Year 3
1.0	4X4 Backhoe Loader	3 sets	36 Months : \$ 111,781.76 48 Months : \$ 92,157.05 60 Months : \$ 80,331.91	36 Months : \$ 111,781.76 48 Months : \$ 92,157.05 60 Months : \$ 80,331.91	36 Months : \$ 111,781.76 48 Months : \$ 92,157.05 60 Months : \$ 80,331.91
2.0	6X4 Dump Truck 16 Cubic Yard (New)	3 sets	36 Months : \$ 183,252.34 48 Months : \$ 151,031.50 60 Months : \$ 131,651.87	36 Months : \$ 183,252.34 48 Months : \$ 151,031.50 60 Months : \$ 131,651.87	36 Months : \$ 183,252.34 48 Months : \$ 151,031.50 60 Months : \$ 131,651.87
3.0	Backhoe Trailer	3 sets	36 Months : \$ 28,083.13 48 Months : \$ 23,152.80 60 Months : \$ 20,181.94	36 Months : \$ 28,083.13 48 Months : \$ 23,152.80 60 Months : \$ 20,181.94	36 Months : \$ 28,083.13 48 Months : \$ 23,152.80 60 Months : \$ 20,181.94

Item No.	Description	Qty	Cost Year 4	Cost Year 5
1.0	4X4 Backhoe Loader	3 sets	36 Months : NA 48 Months : \$ 92,157.05 60 Months : \$ 80,331.91	36 Months : NA 48 Months : NA 60 Months : \$ 80,331.91
2.0	6X4 Dump Truck 16 Cubic Yard (New)	3 sets	36 Months : NA 48 Months : \$ 151,031.50 60 Months : \$ 131,651.87	36 Months : NA 48 Months : NA 60 Months : \$ 131,651.87
3.0	Backhoe Trailer	3 sets	36 Months : NA 48 Months : \$ 23,152.80 60 Months : \$ 20,181.94	36 Months : NA 48 Months : NA 60 Months : \$ 20,181.94

SPECIAL PROVISIONS:

The Contractor shall provide for all spare parts, carry out repairs and maintenance, change oil/lubricants and other disposable supplies as needed for the equipment's at no additional cost to GWA. In case of any mechanical breakdown or failure, the Contractor shall exhaust all ways and means possible to restore the Heavy Equipment(s) in good working conditions immediately. The Contractor shall be responsible to carry out recoveries in cases of breakdowns or accidents.

Good Working Condition means the Heavy Equipment performs at its optimum capacity without technical / mechanical deficiencies or glitches.

Heavy Equipment(s) rendered unserviceable following a breakdown, repeated breakdown(s) within a short period (two (2) times within a week) other than unforeseen events, GWA reserves the right to request said Heavy Equipment(s) to be replaced within twenty- four (24) hours of receipt of notification from GWA.

In the event that no replacement equipment is made available or provided, GWA reserves the rights to engage any other contractor to provide the Services and deduct all charges incurred from the Contractors monthly payment.

GENERAL SPECIFICATION ON ITEM 1.0 (OR APPROVED EQUAL):

Type:

- 4-in-1 backhoe loader.

Description:

- 4-in-1 backhoe loader with extended dig depth.

Intended Service:

- Exploratory digging, concrete & asphalt breaking and removal, tampering & road repairs.

ENGINE:

Induction:

- Turbo.
- Power rating @ 2,200 rpm; 100rpm: 100 HP, (minimum requirement).
- Net power rating @ 2,000 rpm: 98 HP, (minimum requirement).
- Net torque @ 1,4000 rpm: 290 ft. lbs., (minimum requirement).
- Displacement: 276 cu. in., (minimum requirement).

Cab Specifications:

- **Fully Enclosed Cab.**
- Modular-design ROPS/FOPS cab with molded roof: Isolation mounted.
- Left & Right access.
- Slip-resistant steps and ergonomically located handholds.
- Molded floor mats.
- Headliner.
- 12-volt outlets (2).
- Auto-idle.
- Interior rearview mirror.
- Interior front-view mirrors.
- Outside rearview mirrors.
- Stabilizer controls in the left armrest.
- Rotary-dial hand throttle.
- Suspended foot throttle.
- Tilt steering, infinitely adjustable.
- Horn in side console.
- Seat belt, 76-mm (3 in.) with retractor.
- Key start switches with electric fuel shutoff.
- Electronic anti-theft enabled monitor.
- Engine coolant temperature gauge, illuminated electronic, with audible warning.

- Oil temperature gauge, illuminated electronic, with audible warning.
- Fuel gauge, illuminated electronic.
- Digital display of engine hours, engine rpm, and system voltage.
- Monitor system with audible and visual warnings: engine air restriction indicator; low alternator voltage indicator; engine oil pressure indicator; hydraulic filter restriction indicator; parking brake on/off indicator with audible warning; seat belt indicator; low brake pressure; machine diagnostic information via 4-push button; LCD interface.
- Air suspension vinyl 3600 swivel seat with lumbar adjustment and armrests (fully adjustable); Tinted safety glass; Sun visor; Headliner; am/fm weather-band radio; left and right cab doors; Dome light; windshield wiper (1 front and 1 rear); tilt-steering, halogen work lights (6) 32,000 candlepower each (2 front, 2 rear, and 2 side docking); air conditioner (7.6-kw [26,000 btu/hr] output and CFC-free R134a refrigerant).

Transmission:

- Manual 4WD Transmission.
- 2WD/4WD 4 Speed forward and reverse with 4 WD engagement.

Axles: (minimum requirements)

- Static load rating
- Front: 53,400 ft.-lbs. (237,500 Nm).
- Rear: 42,150 ft.-lbs. (187,500 Nm).

Dynamic Load Rating: (minumim requirements)

- Front: 21,360 ft.-lbs. (95,00 Nm).
- Rear: 16,860 ft.-lbs (75,000 Nm);

Brake System:

- 4-wheel brake system
- long life sealed brake system, self-equalizing and self-adjusting.

Hydraulic System: (minimum requirements)

- Main pump @ 2,200 rpm: 21 gpm (80 Lpm).
- Secondary pump @ 2,200 rpm: 21 gpm (80 Lpm).
- System Main Relief Setting: 3,250 psi (225 bar).
- Unloader Setting: 3,000 psi (207 bar).

Loader Dimensions: (minimum requirements)

- Loader bucket: 1.65 cu. yd. (1.2 cu. m.) 7-in-1 bucket.
- Dump clearance, @ 45°: 9'0" (2.71 m).
- Reach at full height, @ 45°: 2.9" (829 mm).
- Overall operating height: 14'2" (4.31 m).

<u>Backhoe Dimensions:</u> (minimum requirements)	<u>Deep Dig Dipper (Ret.)</u>	<u>Deep Dig Dipper (Ext.)</u>
• Dig depth SAE:	15'11" (4.85 m)	20'4" (6.2 m)
• Reach-ground level to swing post:	19'10" (6.03 m)	24' 0" (7.32 m)
• Operating height:	19' 8" (5.99 m)	22' 6" (6.86 m)
• Loading height SAE:	12' 4" (3.75 m)	14' 7" (4.44 m)
• Bucket rotation (speed):	194 ^o	194 ^o
• Bucket rotation (power):	163 ^o	163 ^o
• Side reach from stabilizers:	13' 5" (4.07 m)	17' 7" (5.36 m)
• Stabilizer spread:	11' 3" (3.43 m)	11' 3" (3.43 m)
• Maximum leveling angle:	15 ^o	15 ^o

Additional Requirements: (Backhoe Loader)

- Operators manual.
- Maintenance manual.
- Parts & service manual.
- Spare tire (1 ea. Front/1 ea. Rear).

AUXILIARY HYDRAULIC CONTROLS FOR ATTACHMENTS LISTED BELOW:
(NOTE: ATTACHMENT COSTS WILL BE INCLUDED WITH "BID PACKAGE")

Rock Drill Hydraulic Hammer: (minimum requirements)

- Max energy per blow / ft. lbs.: 850 ft. lbs.
- Required flow/GPM: 14-26 gpm.
- Operating pressure 1800 psi.
- Blows per minute: 550-1,200 bpm.
- Tool diameter (inches): 3".
- Overall length (inches): 63".
- Parts, service, and maintenance manual for above attachment.

Plate Compactor: (minimum requirements)

- Impulse force: 6,500 lbs. (3,000 kg)
- Frequency: 2,000 cpm (2,000 rpm)
- Hydraulic flow: 20 gpm (75 lpm)
- Pressure: 2,200 psi (150 bar)
- Bottom plate: 24" x 34" (610 mm x 865 mm)
- Parts, service and maintenance manual for above attachment.

Mounting Hardware and Accessories:

- Mounting bracket: Quick Connect Mounting Bracket for Installation and Removal.

- Hydraulic fittings: Quick Connect Fitting for Installation and Removal.

TECHNICAL SPECIFICATIONS FOR TRAILER:

Trailer:

- The trailer assembly shall be furnished with a data plate showing the product/model number, serial number, axle and wheel rating, maximum speed and date of manufacturer. The trailer shall display a high standard of workmanship in accordance with industry standards. It should withstand all normal road shock and vibration without damage to welded or bolted connections. All materials used in the manufacturer of the trailer shall be new. Burned surfaces of flame cut materials shall be ground smooth.

Axles & Suspension:

- Shall be provided with heavy duty dual axles. To keep road-transmitted shock and vibration to a minimum, the axles shall be suspended from the trailer frame by leaf-type spring or better.

Wheels:

- Wheels, 235R75 x 17.5 or equal.

Towing & Safety Requirements:

- Trailers are to be Adjustable Pintail Hitch type complete with adjustable jack stand. The adjustable jack stand with sand shoe provided with the trailer shall have a hand-operated crank to raise or lower the front end into position for hookup to towing vehicle.

Safety Chains:

- Two safety chains of normal ½-inch high test steel with a proof test capability of 13,700 lbs. Chains shall be provided with slip hooks and safety latches.

Brakes:

- Trailer shall be supplied with a hydraulic surge brake.

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Breakaway Switch:

- In the event the trailer should break away from the towing vehicle, a breakaway switch shall activate the trailer to bring it to a complete stop; power to this switch is activated by the rear ward movement of the trailer by means of a wire cable attached to the towing vehicle.

Lights, Reflector, and Wiring:

- Six pin male plug connectors shall be provided for connection to the towing vehicle electrical system, plug must be located on the tongue of the trailer, must include license plate light and brackets.
- The following lights and reflectors shall be provided on the trailer. Two combination brake, running and turn signal red lights, one on the left and one on the right rear end of the trailer.

Electric Winch:

2,500 lbs. power winch attached and bolted on the front end of trailer.

Type of Equipment:

Year: 2018

Make: New Holland Construction (Backhoe) & Felling Trailers, Inc. (Trailer)

Model: B110B Backhoe & FT-24-2 LP Trailer

Equipment Availability: Backhoe : 250 Days, as per bid request

Trailer : 250 Days, as per bid request

GENERAL SPECIFICATION ON ITEM 2.0 (OR APPROVED EQUAL):

Unit:

- Model : Conventiannel.
- Type : full truck.
- Description : Dump 6x4-16 Cu. Yd.

Body:

- Type: End Dump.
- Length: (ft.) 16.0.
- Height: (ft.) 13.5.
- Max laden weight (lbs.) 8,500.

Restriction:

- Length: (ft.) 12.0.
- Width: (ft.) 10.2.
- Height: (ft.) 15.0.

Chassis: (minimum requirements)

- Front axle load: (lbs.) 20,000.
- Rear axle load (lbs.) 52,000.
- G.C.W. (lbs.) 72,000.

Road Condition:

- Class A (highway) 00.
- Class B (highway/mountain) 95.
- Class C (off-highway) 05.
- Class D (off-road) 00.

Maximum Grade: 6 (minimum requirements)

- Wheel base (In.) 233.
- Front axle to BOC (In.) 74.
- Cab to axle (In.) 159.
- Cab to EOF (In.) 219.

Engine & Equipment: (minimum requirements)

- ISM 524V 425@2000 410@2100 1550@1200.
- Cruise Control auto resume, gear down protection, 65 mph max vehicle speed in top gear, 65 mph max cruise speed, 1400 max PTO speed.

Transmission & Clutch:

- Clutch 7 spring 4 paddle ceramic to 1650 lb. ft.
- Manual Transmission.

Front Axle & Equipment: (minimum requirements)

- Front axle 20,000 lbs. Load Capacity Front brakes. 22,000 lbs. Braking Capacity.
- Front vented hubcaps.
- Front automatic slack adjusters.
- Front springs taper leaf 20k w/shock absorbers.

- Maintenance-free elastomer spring pin bushings.
- Dual power steering gears 20k TRW TA65.

Rear Axle & Equipment: (minimum requirements)

- Dual rear axle 52,000 lbs. Load Capacity.
- Rear axle ratio 4.56.
- Dual rear brakes 46,000-52K lbs. Brake Capacity.
- Dual rear low maintenance hub package.
- Dual rear axle automatic slack adjusters.
- Dual spring brake 3030 output.
- Dust shield: all rear axles.
- 52k & 54 in. axle space with 7.19 in. saddle height & bar pin bushing & bronze center bushing. Unladen height: 12.2 in. laden height: 11.1 in. minimum requirement.

Tires & Wheels: (minimum requirements)

- FR 425/65R22.5 20 PR.
- 44.8 in. diameter, all positions 20.7 in. SLR, On/Off highway, wide base tire. Curb protector bar.
- FR wheel" standard size rims 22.5x12.25.
- Hub pilot mount. 11,400 lb. max rating. Super single.
- FR wheel/rim quantity: 3 each.
- RR12R22.5 16PR.
- 43.4 in. diameter, a; position. 20.2 in. SLR. On/Off Highway. 25/32 tread depth.
- RR wheel: standard size rims 22.5x8.25.
- Hub pilot mount. 7,400 lb. max rating.
- RR wheel/rim quantity: 9 each.

Frame & Equipment:

- Bumper straight aluminum channel.
- Front mud flaps.
- Battery box location left hand side.
- Rear mud flaps arms fleet line FF30P.
- Steel spring loaded & painted.

Fuel Tank & Equipment: (minimum requirements)

- Fuel tank 100 US gallon 24.5 in. aluminum.
- Class 8 fuel tank with an anti-siphon devise on the filler neck.

Cab & Equipment: (minimum requirements)

- Cab: curbed glass conventional.
- Cab heater with integral defroster & AC.
- 18 in. 4-spoke steering wheel.
- Adjustable telescoping tilt steering column.
- Multi-function high display.
- Instrument package:
Includes speedometer, tachometer, fuel gauge, engine coolant, temperature gauge, Engine oil pressure, voltmeter, Class 8 also include primary and secondary air reservoir gauges and an air application gauge, and hour meter.
- Warning light for parking brake.
- DR seat KW air cushion plus HB cloth and dual arm rest.
- Single air horn.
- Dual fixed heated mirrors 7 in. x 16 in. must include 7 ½ in.
- Convex Mirror, RH.
- AM/FM radio with speakers.

Light & Instrument: (minimum requirements)

- Dual rectangular extended life halogen headlamps.
- Five marker aerodynamic light mounted on sun visor.
- Fender mounted turn signal lights.
- Interrupter switch for marker lights.

Paint:

- Preferably White.

Additional Accessories:

- Emergency kit should consist of three (3) triangles in a plastic carrying case.
- Fire extinguisher - A, B, C rated.
- Electrical canopy & canopy assembly for rear dump bed.
- Remote operated from cab interior.
- Towing package with pintle hook C-clamp for 20-ton trailer.
- Operator's manual.
- Repair Maintenance manual.
- Service/parts maintenance manual.

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Type of Equipment:

Year: 2019

Exhibit B

