



**RESOLUTION NO. 2018 - 30**

**AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE PUBLIC UTILITIES COMMISSION FOR THE EXTENSION OF THE EXISTING DIESEL FUEL OIL NO.2 SUPPLY CONTRACT WITH MOBIL OIL GUAM, INC. AND ISLA PETROLEUM & ENERGY, LLC.**

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

**WHEREAS**, the first (1<sup>st</sup>) year of the 2-year contract extension option for Mobil and IP&E commenced on January 1, 2018 and will expire on December 31, 2018; and

**WHEREAS**, the Authority released a solicitation for the procurement of a new contractor for the Supply of Diesel Fuel Oil No.2 under a Multi-Step IFB GPA-008-18. The term of the new contract is for a base period of two (2) years to commence on January 1, 2019, with three (3) additional 1-year extension options; and

**WHEREAS**, the Authority anticipates a delay in awarding a new contract by January 01, 2019 due to a bid protest<sup>1</sup>; and

**WHEREAS**, GPA negotiated for the second (2<sup>nd</sup>) year extension of the existing contract with Mobil and IP&E for a term of one (1) year commencing in January 1, 2019; and

**WHEREAS**, the total requirement for the second (2<sup>nd</sup>) year contract extension with Mobil and IP&E at the designated sites is estimated at about 700,000 barrels at a total cost of about \$76M (Exhibit A), and is funded under the FY2019 approved budget (Exhibit B); and

**WHEREAS**, GPA is requesting for the approval of the second (2<sup>nd</sup>) year extension of the contract, subject to the mutual agreement with Mobil an IP&E.

**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 contract extension for the supply of Diesel Fuel Oil No.2 with Mobil and IP&E for a period of 1 year commencing January 01, 2019.

<sup>1</sup> Tristar protest dated October 8, 2018

- 31 2. The Guam Power Authority is hereby authorized to execute an agreement for the extension of the  
32 contracts.  
33  
34 3. The General Manager of the Guam Power Authority is hereby authorized an increase in obligating  
35 authority to the annual value of the contract over \$750,000.00 and execute such agreements and  
36 documents necessary for a contract extension with **Mobil and IP&E**.  
37

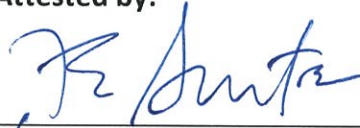
38 **RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the  
39 Commission attests the adoption of this Resolution.  
40

41 **DULY and REGULARLY ADOPTED this 27<sup>th</sup> day of November 2018.**  
42  
43

**Certified by:**

  
\_\_\_\_\_  
**JOSEPH T. DUENAS**  
**CHAIRMAN**

**Attested by:**

  
\_\_\_\_\_  
**J. GEORGE BAMBA**  
**SECRETARY**

44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67

**SECRETARY'S CERTIFICATE**

**I, J. GEORGE BAMBA**, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced by my signature above do certify as follows:

The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular meeting of the members of 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: 4  
Nays: 0  
Absent: 0  
Abstain: 1



**EXHIBIT A- ESTIMATED DIESEL EXPENSES**

\* MOPS Based on MS Forecast dated 06Mar2018: \$98.218 /bbl  
\$2.339 /gal

MOBIL CONTRACT	ANNUAL QUANTITY (Estimated)	UNIT COST \$/gal (Estimated)	ANNUAL AMOUNT (\$) (Estimated)	Contract Premium Fee \$/gal	*AVG. MOPS \$/gal	<sup>1</sup> UNIT COST (CIF Cost)	
						\$/gal	\$/bbl
<b>Baseload Power Plants</b> (Cabras 1&2 / Piti 8&9)	280,000 gals	\$2.601	\$728,148	\$0.262	\$2.339	\$2.601	\$109.22
<b>Fast Track Units</b> (Talofofo / Manengon)	1,274,033 gals	\$2.581	\$3,287,680	\$0.242	\$2.339	\$2.581	\$108.38
<b>Piti 7</b>	1,221,452 gals	\$2.601	\$3,176,422	\$0.262	\$2.339	\$2.601	\$109.22
<b>Northern Plants</b> (Dededo, Macheche, Marbo, & Yigo CT, Aggreko)	23,214,988 gals	\$2.581	\$59,906,967	\$0.242	\$2.339	\$2.581	\$108.38
<b>TOTAL MOBIL CONTRACT EXPENSES</b>	25,990,473 gals 618,821 bbls	\$2.582 \$108.431	\$67,099,218	\$0.243 (Avg)			
<b>IP&amp;E CONTRACT</b>	<b>ANNUAL QUANTITY (Estimated)</b>	<b>UNIT COST <sup>1</sup> \$/gal (Estimated)</b>	<b>ANNUAL AMOUNT (\$) (Estimated)</b>				
<b>Tenjo Vista</b>	3,360,000 gals	\$2.601	\$8,737,780	\$0.262	\$2.339	\$2.601	\$109.22
<b>TOTAL IP&amp;E CONTRACT EXPENSES</b>	3,360,000 gals 80,000 bbls	\$2.601 \$109.222	\$8,737,780				
<b>GRAND-TOTAL</b>	29,350,473 gals 698,821 bbls	\$2.584 \$108.521	\$75,836,998	\$0.245 \$10.303 (Avg)	(\$/gal) (\$/bbl)		