RESOLUTION NO. 39-FY2019

RELATIVE TO APPROVAL OF THE CONTRACT WITH TOTAL CHEMICAL RESOURCES, INC. AND JMI-EDISON FOR THE 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 system upgrades at the Northern District Wastewater Treatment Plant (NDWWTP) and the Hagåtña Wastewater Treatment Plant (HWWTP) to use Chemically Enhanced Primary Treatment as specified in § II A Paragraphs 2 and 5 of the CO; and

WHEREAS, GWA has completed the system upgrades of both WWTPs to use Chemical Enhanced Primary Treatment and is now operating the plants as specified in the CO; and

WHEREAS, the Chemically Enhanced Primary Treatment requires the purchase of chemicals for the application of the treatment process at the NDWWTP, and the HWWTP; and

WHEREAS, the secondary treatment process employed at GWA’s newest treatment plant, the Agat-Santa Rita Wastewater Treatment Plant (ASRWWTP), will also require the use of these chemicals; and
WHEREAS, GWA issued Bid Number 2019-17 to solicit bid proposals from experienced and responsive bidders to provide chemicals necessary to continue to operate the Northern District WWTP, the Hagåtña WWTP and the Agat-Santa Rita WWTP in compliance with the Court Order; and

WHEREAS, there were two responsive and responsible bidders who offered chemicals meeting the requirements in IFB 2019-17 (see Exhibit A); and

WHEREAS, the IFB 2019-17 offers were evaluated by GWA’s review committee who determined that the best offer for Inorganic Coagulant (“ACH”) (for sludge dewatering) was made by Total Chemical Resources, Inc. (“Total Chemicals”); and

WHEREAS, the committee also determined that the best offer for Anionic and Cationic Polymer was made by JMI-Edison (“JMI”); and

WHEREAS, GWA accepted Total Chemical’s bid proposal (see Exhibit B) of $1.09/lb. to supply Inorganic Coagulant for an estimated annual cost of Eight Hundred Seventy-Five Thousand Eight Hundred Forty-Five Dollars and Fifty-Two Cents ($875,845.52), and for a three (3) year contract totaling Two Million Six Hundred Twenty-Seven Thousand Five Hundred Thirty-Six Dollars and Fifty-Six Cents ($2,627,536.56);

WHEREAS, GWA also accepted JMI Edison’s bid proposal (see Exhibit C) of $1.16/lb. for Anionic Polymer at an estimated annual cost of One Hundred Twenty-Nine Thousand Six Hundred Forty-Five Dollars and Eight Cents ($129,645.08), and for a three (3) year contract in the amount of Three Hundred Eighty-Eight Thousand Nine Hundred Thirty-Five Dollars and Twenty-Four Cents ($388,935.24), and Cationic Polymer at 1.63/lb. for an estimated annual cost of Two Hundred Twenty-Five Thousand Thirty-Nine Dollars and Forty-Three Cents ($225,039.43), for a three (3) year contract in the amount of Six Hundred Seventy-Five Thousand One Hundred Eighteen Dollars and Twenty-Nine Cents ($675,118.29), which brings the grand total to One Million Sixty-Four Thousand Fifty-Three Dollars and Fifty-Three Cents ($1,064,053.53); and
WHEREAS, GWA Management seeks CCU approval of Total Chemical’s Contract in
the amount of Two Million Six Hundred Twenty-Seven Thousand Five Hundred Thirty-Six
Dollars and Fifty-Six Cents ($2,627,536.56) for the purchase of Inorganic Coagulant (“ACH”),
plus a ten percent (10%) contingency totaling Two Million Eight Hundred Ninety Thousand
Two Hundred Ninety Dollars and Twenty-Two Cents ($2,890,290.22) for three (3) years, with
the option to renew an additional two (2) one (1) year term; and

WHEREAS, GWA Management further seeks CCU approval of JMI Edison’s Contract
in the amount of One Million Sixty-Four Thousand Fifty-Three Dollars and Fifty-Three Cents
($1,064,053.53) for the purchase of Anionic Polymer and Cationic Polymer, plus a ten percent
(10%) contingency with a total cost of One Million One Hundred Seventy Thousand Four
Hundred Fifty-Eight Dollars and Eighty-Eight Cents ($1,170,458.88) for a three (3) year
contract, with the option to renew for an additional two (2) one (1) year term; and

WHEREAS, the source of funding for the purchase of wastewater chemicals will be
from the GWA Operations and Maintenance Budget (revenue funds).

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 finds that the terms of the bid proposals submitted by Total
    Chemical Resources, Inc. and JMI Edison are fair and reasonable.
3. The CCU hereby authorizes the management of GWA to proceed based on
    the notice of award to Total Chemical Resources, Inc. attached hereto as
    Exhibit D, and the notice of award to JMI Edison attached hereto as Exhibit
    E both of which are incorporated into this Resolution in its entirety.
4. The CCU hereby further authorizes the management of GWA to enter into a
    contract with Total Chemical Resources, Inc. to purchase chemicals in the
    amount of Two Million Eight Hundred Ninety Thousand Two Hundred
    Ninety Dollars and Twenty-Two Cents ($2,890,290.22) for three (3) years,
    with the option to renew an additional two (2) one (1) year terms.
5. The CCU hereby further authorizes the management of GWA to enter into a Contract with JMI Edison to purchase chemicals in the amount of One Million One Hundred Seventy Thousand Four Hundred Fifty-Eight Dollars and Eighty-Eight Cents ($1,170,458.88) for three (3) years, with the option to renew an additional two (2) one (1) year terms.

6. 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 23rd day of July, 2019.

Certified by:  

[Signature]

JOSEPH T. DUENAS  
Chairperson

Attested by:  

[Signature]

MICHAEL T. LIMTIACO  
Secretary
SECRETARY'S CERTIFICATE

I, Michael T. Limtiaco, 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