



GPA RESOLUTION NO. 2020-13

**RELATIVE TO AUTHORIZING THE AWARD OF A PERFORMANCE MANAGEMENT CONTRACT
FOR GPA'S CABRAS UNITS #1 AND #2 STEAM TURBINE POWER PLANT
TO TAIWAN ELECTRICAL AND MECHANICAL ENGINEERING SERVICES (TEMES, INC.)**

WHEREAS, the Guam Power Authority (GPA) had a five-year Performance Management Contract (PMC) for the Management, Operation and Maintenance of the Cabras 1&2 Steam Turbine Power Plant awarded to TEMES, that commenced in October 2010; and

WHEREAS, the PMC awarded to TEMES expired on Sept. 30, 2015 through Resolution 2015-35 and was approved for extension up to December 31, 2015; and

WHEREAS, the PMC was subsequently approved for another extension through December 30, 2016 through Resolution 2015-62A; and

WHEREAS, through CCU Resolution 2016-62, the Authority was approved to extend the Cabras 1&2 PMC Contract for another three years and nine months, up to September 30, 2020; including an optional extension year up to 2021; and

WHEREAS, through PUC Docket 17-09, the Authority was approved to extend the Cabras 1&2 PMC Contract for only another three years and nine months, up to September 30, 2020; and

WHEREAS, GPA's Phase II Renewable Resource Acquisition contracts are expected to start commercial operation by 3rd quarter of 2022; and

WHEREAS, GPA's new power plant was awarded in November 2019, and is expected to be placed in commercial operation at the end of 2022, if not delayed; and

WHEREAS, in order to ensure adequate capacity to meet the Megawatt demands of the island, the Cabras 1&2 Steam Turbine Power Plant must continue to be operated and maintained until the new power plant is commissioned; and

WHEREAS, GPA issued a multi-step bid (IFB GPA-035-20) for a new Performance Management Contract for the continued Management, Operation and Maintenance of the Cabras 1&2 Steam Turbine Power Plant, and also to plan for and conduct activities related to the power plant's de-activation and/or decommissioning; and

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2 **WHEREAS**, Taiwan Electrical and Mechanical Engineering Services (TEMES, INC.) was the
3 sole qualified and responsive bidder; and

4 **WHEREAS**, the total cost for the 3-year Base Period of the Contract Period, which is the
5 sum of Annual Management Fees proposed by TEMES, INC. and O&M Budget provided by GPA
6 is \$9,969,188.00 excluding costs for inventory, critical repairs, CIPs and
7 deactivation/decommissioning activities is reasonable.

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9 **NOW, BE IT THEREFORE RESOLVED**, by the Consolidated Commission on Utilities as the
10 governing body of GPA. and subject to the review and approval of the Public Utilities
11 Commission, does hereby approve the following:

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13 1. GPA's request to award a Performance Management Contract for GPA's Cabras
14 Units #1 and #2 Steam Turbine Power Plant to TEMES, INC.
15 2. The award of \$5,919,188.00 in Annual Management Fees, and \$4,050,000.00 in
16 O&M Budget, for a total of \$9,969,188.00 total contract amount for the base period
17 starting October 1, 2020 through September 30, 2023. These fees are excluding
18 costs for inventory, critical repairs, CIPs, and deactivation/decommissioning
19 activities.

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

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24 **DULY and REGULARLY ADOPTED and APPROVED THIS 23rd DAY OF JUNE, 2020.**

25
26 Certified by:

Attested by:

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31 JOSEPH T. DUENAS
32 Chairperson
33 Consolidated Commission on Utilities

MICHAEL T. LIMTIACO
Secretary
Consolidated Commission on Utilities

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I, **Michael T. Limtiaco**, Board Secretary of 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 by 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: 5
Nays: Ø
Absent: Ø
Abstain: Ø

