



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 ~~Hagatna~~, Guam 96932 | (671) 648-3002 | guamccu.org

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RESOLUTION NO. 2020-16

AUTHORIZING THE MANAGEMENT OF THE GUAM POWER AUTHORITY TO PETITION THE PUBLIC UTILITIES COMMISSION TO AWARD THE CONTRACT FOR THE SUPPLY OF RESIDUAL FUEL OIL NO.6

WHEREAS, GPA's current 2-Year contract with Mobil Oil Guam for the supply of Residual Fuel Oil No.6 (RFO No. 6) is expiring in August 31, 2020; and

WHEREAS, in anticipation of this expiration date, GPA was authorized by the CCU under GPA Resolution No. 2020-06 and approved by the PUC under Docket 20-11 to issue bids for the procurement of a new residual fuel oil supply contract; and

WHEREAS, the Procurement Officer has provided adequate public announcement for the need for such fuel supply services through Invitation for Multi-Step Bid No. GPA-050-20 describing the type of services required and specifying the type of information and data required of each offeror; and

WHEREAS, Hyundai Corporation, Mobil Oil Guam, and Hanwha Corporation, submitted bids for GPA consideration; and

WHEREAS, the results and evaluation of the bids are provided in **Exhibit A**; and

WHEREAS, **HYUNDAI CORPORATION** was determined to be the lowest, most responsive bidder meeting the requirements of the bid solicitation; and

WHEREAS, the estimated Fixed Premium Fee cost based on estimated supply quantities has a value of approximately \$26,710,692 for the first year, \$35,044,025 for the second year, and \$29,408,019 for the third year, for a total of **\$91,162,736** for the three-year contract base period as shown in **Exhibit A**; and

30 **WHEREAS**, the average Fixed Premium Fee for **HYUNDAI CORPORATION** of \$105.417/MT
31 (\$16.575/bbl) for the 3-year contract period is approximately 44% higher than the current contract average
32 Fixed Premium Fee of \$73.227/MT (\$11.514/bbl) for the same period. The estimated cost increase in Fixed
33 Premium for the 3-year base period is approximately \$27,837,264; and
34

35 **WHEREAS**, the Residual Fuel Oil No.6 Supply Contract with **HYUNDAI CORPORATION** shall be for an
36 initial period of three (3) years and is anticipated to commence in September 01, 2020 and to expire in
37 August 31, 2023 with two one-year extension options renewable annually upon mutual agreement of both
38 parties; and
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40 **WHEREAS**, the award of the contract to **HYUNDAI CORPORATION** based on estimated supply
41 quantities has a value of approximately \$94,207,547 for the first year, \$102,540,881 for the second year,
42 and \$80,030,660 for the third year, for a total of **\$276,779,088** for the three-year contract period.
43

44 **NOW THEREFORE, BE IT RESOLVED**, by the **CONSOLIDATED COMMISSION ON UTILITIES** as the
45 governing body of GPA, and subject to the review and approval of the Public Utilities Commission as follows:
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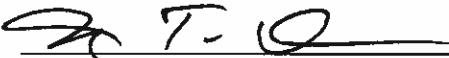
- 47 1. The General Manager of the Guam Power Authority is hereby authorized to enter into a three (3)
48 year contract commencing September 01, 2020 and expiring August 31, 2023 for a total contract cost
49 of **\$276,779,088** with **HYUNDAI CORPORATION** for the supply of Residual Fuel Oil No.6.
50
- 51 2. The General Manager of the Guam Power Authority is hereby authorized an increase in obligating
52 authority to the annual value of the contract and execute such agreements and documents necessary
53 for a contract with **HYUNDAI CORPORATION**.
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56 **RESOLVED**, that the Chairman of the Commission certifies and the Board Secretary attests the
57 adoption of this Resolution.
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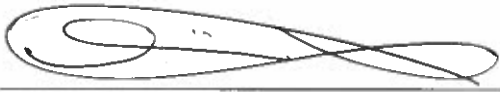
65 DULY and REGULARY ADOPTED AND APPROVED THIS 23RD DAY of JULY, 2020

66 Certified by:

Attested by:



JOSEPH T. DUENAS
Chairperson
Consolidated Commission on Utilities



MICHAEL LIMTIACO
Secretary
Consolidated Commission on Utilities

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71 I, Michael Limtiaco, Secretary for the Consolidated Commission on Utilities (CCU), as evidenced by
72 my signature above do certify as follows:

73
74 The foregoing is a full, true, and correct copy of the resolution duly adopted at a regular meeting of
75 the members of Guam Consolidated Commission on Utilities, duly and legally held at the meeting place
76 properly noticed and advertised at which meeting a quorum was present and the members who were
77 present voted as follows:

78
79 Ayes: 4
80
81 Nays: 0
82
83 Absent: 1
84
85 Abstain: 0



EXHIBIT A- CONTRACT COST ANALYSIS

Contract Description	Contract 1 (Reference: Petroleum Table 13)			Contract 2 (2nd of 3 YEARS)			Contract 3 (3rd of 3 YEARS)			SUMMARY: 3-YEAR BASE CONTRACT PERIOD			COMPARISON w/ CURRENT CONTRACT GPA-400-15 Mobi Oil Guam (Estimated for 3 Years)
	Bidder #1 Hyundai Corp.	Bidder #2 Mobi Oil Guam	Bidder #3 Hanna	Bidder #1 Hyundai Corp.	Bidder #2 Mobi Oil Guam	Bidder #3 Hanna	Bidder #1 Hyundai Corp.	Bidder #2 Mobi Oil Guam	Bidder #3 Hanna	Bidder	ITA	ITA	
BASE CONTRACT: 1st of 3 YEARS	Bidder 500,000	Bidder 6,300	ITA 78,616	Bidder 1,500,000	Bidder 6,300	ITA 235,649	Bidder 1,500,000	Bidder 6,300	ITA 235,649	Bidder 3,500,000	ITA 6,300	ITA 314,465	
BASE CONTRACT: 2nd of 3 YEARS	Bidder 500,000	Bidder 6,300	ITA 78,616	Bidder 1,500,000	Bidder 6,300	ITA 235,649	Bidder 1,500,000	Bidder 6,300	ITA 235,649	Bidder 3,500,000	ITA 6,300	ITA 314,465	
BASE CONTRACT: 3rd of 3 YEARS	Bidder 500,000	Bidder 6,300	ITA 78,616	Bidder 1,500,000	Bidder 6,300	ITA 235,649	Bidder 1,500,000	Bidder 6,300	ITA 235,649	Bidder 3,500,000	ITA 6,300	ITA 314,465	
Total BFO (LSPFO + HSPFO)	1,500,000	19,900	235,649	4,500,000	19,900	706,947	4,500,000	19,900	706,947	10,500,000	59,500	964,780	
1. LSPFO: 1.75% Solar max.													
Quantity (Metric tons or "MT")	78,616	78,616	78,616	235,649	235,649	235,649	235,649	235,649	235,649	590,314	590,314	590,314	
Bid Price (Bid Reference Price - Bid Fixed Premium Fee), \$/MT	\$339,330	\$418,424	\$414,570	\$339,330	\$516,101	\$564,670	\$339,330	\$527,575	\$385,270	\$339,330	\$596,779	\$397,341	
ESTIMATED CONTRACT COST (R)	\$26,679,886.79	\$32,771,753.65	\$32,682,997.42	\$80,000,980.28	\$121,721,053.56	\$133,646,594.11	\$80,000,980.28	\$124,629,995.54	\$144,594,941.61	\$80,000,980.28	\$232,789,795.56	\$199,896,180.23	
Bid Reference Price (\$/MT)	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	
2. HSPFO: 2.00% Solar max.													
Quantity (Metric tons or "MT")	235,649	235,649	235,649	78,616	78,616	78,616	0	0	0	314,465	314,465	314,465	
Bid Price (Bid Reference Price - Bid Fixed Premium Fee), \$/MT	\$238,330	\$359,898	\$313,970	\$238,330	\$438,638	\$327,970	\$238,330	\$448,128	\$317,970	\$238,330	\$378,809	\$317,470	
ESTIMATED CONTRACT COST (R)	\$57,506,890.28	\$84,166,508.43	\$74,046,528.30	\$22,610,220.13	\$34,308,729.56	\$25,783,895.63	\$0.00	\$0.00	\$0.00	\$90,046,886.50	\$113,643,228.69	\$99,853,333.53	
Reference Price (\$/MT)	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	\$214,640	
Fixed Premium Fee (Cost (R) x Solar %)	\$50,935.80	\$50,935.80	\$50,935.80	\$16,724.80	\$16,724.80	\$16,724.80	\$0.00	\$0.00	\$0.00	\$67,583.30	\$67,583.30	\$67,583.30	
Variance with Current Premium Fee	\$11,772	\$27,383	\$19,819	\$11,772	\$34,905	\$17,819	\$0	\$38,712	\$19,302	\$11,772	\$29,488	\$18,183	
Fixed Premium Fee (Cost (R) x Solar %)	\$11,772	\$27,383	\$19,819	\$11,772	\$34,905	\$17,819	\$0	\$38,712	\$19,302	\$11,772	\$29,488	\$18,183	
Fixed Premium Fee (Cost (R) x Solar %)	\$11,772	\$27,383	\$19,819	\$11,772	\$34,905	\$17,819	\$0	\$38,712	\$19,302	\$11,772	\$29,488	\$18,183	
Total BFO (LSPFO + HSPFO)	314,465	314,465	314,465	314,465	314,465	314,465	314,465	314,465	314,465	628,930	628,930	628,930	
Quantity (Metric tons or "MT")	\$48,207,547.17	\$119,994,828.28	\$100,002,515.72	\$102,540,880.50	\$126,048,693.32	\$109,632,389.94	\$0.00	\$0.00	\$0.00	\$279,779,098.05	\$397,340,974.64	\$396,693,900.57	
LEASING UNIT COST (\$/MT)	\$299.58	\$371.78	\$320.87	\$329.06	\$498.23	\$344.00	\$0.00	\$0.00	\$0.00	\$105,417	\$449.87	\$342.84	
Average Fixed Premium Fee (Cost (R)/MT)	\$84,840	\$157,118	\$168,230	\$111,440	\$281,565	\$133,355	\$0.00	\$139,806	\$312,835	\$150,630	\$272,190	\$178,227	
Variance with Current Premium Fee	\$13,365	\$31,704	\$19,700	\$13,365	\$44,726	\$23,889	\$0.00	\$49,294	\$23,889	\$13,365	\$29,020	\$20,159	
Average Fixed Premium Fee (Cost (R)/MT)	\$13,365	\$31,704	\$19,700	\$13,365	\$44,726	\$23,889	\$0.00	\$49,294	\$23,889	\$13,365	\$29,020	\$20,159	
Fixed Premium Fee (Cost (R) x Solar %)	\$26,719,982	\$48,407,290	\$37,005,690	\$35,044,025	\$80,591,808	\$44,505,535	\$0.00	\$73,905,425	\$35,525,943	\$26,719,982	\$67,267,254.13	\$47,274,254.13	
Total BFO (LSPFO + HSPFO)	\$26,719,982	\$48,407,290	\$37,005,690	\$35,044,025	\$80,591,808	\$44,505,535	\$0.00	\$73,905,425	\$35,525,943	\$26,719,982	\$67,267,254.13	\$47,274,254.13	
Ranking (1 as the Lowest Bidder)	1	3	2	1	3	2	1	3	2	1	3	2	