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2 **RESOLUTION NO. 2020-17**

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4 **AUTHORIZING MANAGEMENT OF THE GUAM POWER AUTHORITY (GPA) TO PROCEED WITH A ONE**
5 **(1) MONTH EXTENSION OF THE EXISTING CONTRACT FOR THE SUPPLY OF RESIDUAL FUEL OIL NO. 6**
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7 **WHEREAS**, the two-year (2-year) Contract Base Period with Mobil Oil Guam, Inc. (MOGI) under
8 GPA-009-18 is expiring on August 31, 2020; and
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10 **WHEREAS**, the Authority released an Invitation for Bid for the Supply of Residual Fuel Oil No. 6
11 under MS IFB GPA-050-20 as approved by the Consolidated Commission on Utilities on February 21,
12 2020 through adoption of GPA Resolution No. 2020-06; and
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14 **WHEREAS**, GPA Resolution No. 2020-16 was approved on July 23, 2020 awarding the new
15 Residual Fuel Oil No. 6 contract for three (3) years to Hyundai Corporation; and
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17 **WHEREAS**, the Authority would need to provide adequate mobilization period for the new
18 supplier and anticipates awarding the new contract to commence on October 1, 2020; and
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20 **WHEREAS**, GPA and MOGI have negotiated and agreed to a one (1) extension of the existing
21 contract up to September 30, 2020, at a fixed premium fee of \$66.500/MT for HSFO and \$108.500/MT
22 for LSFO; and
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24 **WHEREAS**, the one (1) month contract extension with MOGI has an estimated value of
25 approximately \$12M; and

26 **WHEREAS**, the one (1) month contract extension with MOGI has an estimated savings of about
27 \$317,355 in premium fees compared to the new Hyundai Corporation contract as shown in **Attachment**
28 **A**; and
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30 **WHEREAS**, GPA management considers the price to be reasonable and in the best interests of
31 GPA and its customers; and
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33 **WHEREAS**, GPA requests the Consolidated Commission on Utilities to allow a one (1) month
34 extension of the current contract.
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37 **NOW THEREFORE, BE IT RESOLVED**, by the Consolidated Commission on Utilities, subject to
38 the review and approval of the Guam Public Utilities Commission, as follows:
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- 40 1. The Consolidated Commission on Utilities finds the negotiated contract price for the one (1)
41 month extension to be reasonable, prudent and beneficial to GPA and its customers.

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2. GPA is hereby authorized to proceed with the extension of contract under GPA-009-18 for the Supply of Residual Fuel Oil No. 6 with Mobil Oil Guam, Inc., for a period of one (1) month, from September 1, 2020 to September 30, 2020, at a fixed premium fee of \$66.500/MT for HSFO and \$108.500/MT for LSFO with an estimated value of approximately \$12M, respectively.

RESOLVED, that the Chairman of the Commission certifies and the Board Secretary attests the adoption of this Resolution.

DULY and REGULARY ADOPTED AND APPROVED THIS 28th DAY of JULY, 2020

Certified by:

Attested by:



JOSEPH T. DUENAS
Chairperson
Consolidated Commission on Utilities

MICHAEL LIMTIACO
Secretary
Consolidated Commission on Utilities

I, Michael Limtiaco, 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 correct copy of the resolution duly adopted at a regular meeting of the members of Guam Consolidated Commission on Utilities, duly and legally held at the meeting 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
Absent: 0
Abstain: 0



"Attachment A"

Cost Savings for Extension of Mobil Contract for One Month in Order to receive a shipment in September:

	Mobil Oil Current	Mobil Oil Amendment One-Month	New Contract Award 3-years Hyundai Corp	Variance	Estimated BBLs Sept Order	Savings:
HSRFO						
Mobil Price:	\$7.31	\$7.31	11.272			
Add \$20/MT @6.5 BBL/MT		\$3.15				
Total:		\$10.46	11.272	-\$0.82	155,000	-\$126,480.00

	Mobil Oil Current	Mobil Oil Amendment One-Month	New Contract Award 3-years Hyundai Corp	Variance	Estimated BBLs Sept Order	Savings:
LSRFO						
Mobil Price:	\$13.92	\$13.92	19.605			
Add \$20/MT @6.5 BBL/MT		\$3.15				
Total:		\$17.06	19.605	-\$2.55	75,000	-\$190,875.00

Total Savings of One Month Extension of Mobil Contract:						-\$317,355
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