



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

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

RESOLUTION NO. FY2024-04

AUTHORIZING MANAGEMENT TO AWARD THE CONTRACT FOR THE BULK SUPPLY OF ULTRA LOW SULFUR DIESEL (ULSD) FUEL OIL

WHEREAS, GPA was authorized by the CCU under GPA Resolution No. 2023-12 and approved by the PUC under Docket 23-12 to issue bids for the procurement of a new Ultra Low Sulfur Diesel (ULSD) Fuel Oil Bulk Supply contract for delivery by pipeline transfer to the power plants; 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-040-23 describing the type of services required and specifying the type of information and data required of each offeror; and

WHEREAS, Hyundai Corporation, IP&E Holding LLC, and Mobil Oil Guam submitted bids for GPA consideration; and

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

WHEREAS, the Fixed Premium Fee price proposal for the three-year contract base period is \$8.080/bbl for Hyundai Corporation, \$10.300/bbl for Mobil Oil Guam, \$14.700/bbl for IP&E Holdings LLC; 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 \$16,160,000 for the first year, \$20,200,000 for the second year, and \$21,816 for the third year for a total of **\$58,176,000** for the three-year contract base period; and

WHEREAS, the Ultra-Low Sulfur Diesel (ULSD) Fuel Oil Bulk Supply Contract with **HYUNDAI CORPORATION** shall be for an initial period of three (3) years and is anticipated to commence in February 01, 2024 and to expire in January 31, 2027 with two one-year extension options renewable annually upon mutual agreement of both parties; and

WHEREAS, the award of the contract to **HYUNDAI CORPORATION** based on estimated supply quantities has an estimated contract value of approximately \$235,240,000 for the first year, \$294,050,000 for the second year, and \$317,574,000 for the third year for a total of **\$846,864,000** for the three-year contract base period.

NOW THEREFORE, BE IT RESOLVED, by the CONSOLIDATED COMMISSION ON UTILITIES as the governing body of GPA, and subject to the review and approval of the Public Utilities Commission as follows:

1. The General Manager of the Guam Power Authority is hereby authorized to enter into a three (3) year contract commencing February 01, 2024 and expiring January 31, 2027 for an estimated total contract cost of **\$846,864,000** with **HYUNDAI CORPORATION** for the Bulk Supply of Ultra Low Sulfur Diesel (ULSD) Fuel Oil No.2.
2. The General Manager of the Guam Power Authority is hereby authorized an increase in obligating authority to the annual value of the contract and execute such agreements and documents necessary for a contract with **HYUNDAI CORPORATION**.

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

DULY AND REGULARLY ADOPTED, this 31st day of October 2023.

Certified by:



JOSEPH T. DUENAS
Chairperson

Attested by:



PEDRO ROY MARTINEZ
Secretary

I, Pedro Roy Martinez, 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



EXHIBIT A : MS IFB GPA-040-23 BID PRICE PROPOSAL ANALYSIS

3-YEAR BASE PERIOD (MANDATORY)	BASE CONTRACT- 1st of 3 YEARS			BASE CONTRACT- 2nd of 3 YEARS			BASE CONTRACT- 3rd of 3 YEARS			3-YEAR BASE CONTRACT PERIOD		
MS IFB GPA-040-23	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc
A. Bid Reference Price (\$/bbl)	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540
B. Fixed Premium Fee Cost (\$/bbl)	\$8.080	\$14.700	\$10.300	\$8.080	\$14.700	\$10.300	\$8.080	\$14.700	\$10.300	\$8.080	\$14.700	\$10.300
C. Bid Price (A+B), \$/bbl	\$117.620	\$124.240	\$119.840	\$117.620	\$124.240	\$119.840	\$117.620	\$124.240	\$119.840	\$117.620	\$124.240	\$119.840
D. Estimated Quantity (bbls)	2,000,000	2,000,000	2,000,000	2,500,000	2,500,000	2,500,000	2,700,000	2,700,000	2,700,000	7,200,000	7,200,000	7,200,000
E. ESTIMATED PREMIUM FEE COST (B x D), \$	\$16,160,000.00	\$29,400,000.00	\$20,600,000.00	\$20,200,000.00	\$36,750,000.00	\$25,750,000.00	\$21,816,000.00	\$39,690,000.00	\$27,810,000.00	\$58,176,000.00	\$105,840,000.00	\$74,160,000.00
F. ESTIMATED CONTRACT COST (C x D), \$	\$235,240,000.00	\$248,480,000.00	\$239,680,000.00	\$294,050,000.00	\$310,600,000.00	\$299,600,000.00	\$317,574,000.00	\$335,448,000.00	\$323,568,000.00	\$846,864,000.00	\$894,528,000.00	\$862,848,000.00

Based on the Mandatory Bid Price Proposal for the three (3) year contract base period, the lowest bidder is: **HYUNDAI CORPORATION**

Ranking (1 as the Lowest Bidder)

1	3	2
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2-YEAR EXTENSION (OPTIONAL)	1st of 2 YEARS CONTRACT EXTENSION			2nd of 2 YEARS CONTRACT EXTENSION		
MS IFB GPA-040-23	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc
A. Bid Reference Price (\$/bbl)	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540	\$109.540
B. Fixed Premium Fee Cost (\$/bbl)	\$7.880	\$14.700	\$10.600	\$7.880	\$14.700	\$11.000
C. Bid Price (A+B), \$/bbl	\$117.420	\$124.240	\$120.140	\$117.420	\$124.240	\$120.540
D. Estimated Quantity (bbls)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
E. ESTIMATED PREMIUM FEE COST (B x D), \$	\$19,700,000.00	\$36,750,000.00	\$26,500,000.00	\$19,700,000.00	\$36,750,000.00	\$27,500,000.00
F. ESTIMATED CONTRACT COST (C x D), \$	\$293,550,000.00	\$310,600,000.00	\$300,350,000.00	\$293,550,000.00	\$310,600,000.00	\$301,350,000.00

2-YEAR CONTRACT EXTENSION PERIOD		
Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc
\$109.540	\$109.540	\$109.540
\$7.880	\$14.700	\$10.800
\$117.420	\$124.240	\$120.340
5,000,000	5,000,000	5,000,000
\$39,400,000.00	\$73,500,000.00	\$54,000,000.00
\$587,100,000.00	\$621,200,000.00	\$601,700,000.00

SUMMARY (3-YEAR BASE + 2-YEAR EXTENSION)	3-YEAR BASE CONTRACT PERIOD			2-YEAR CONTRACT EXTENSION PERIOD		
MS IFB GPA-040-23	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc	Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc
ESTIMATED PREMIUM FEE COST	\$58,176,000.00	\$105,840,000.00	\$74,160,000.00	\$39,400,000.00	\$73,500,000.00	\$54,000,000.00
ESTIMATED CONTRACT COST	\$846,864,000.00	\$894,528,000.00	\$862,848,000.00	\$587,100,000.00	\$621,200,000.00	\$601,700,000.00

SUMMARY (3-YEAR BASE + 2-YEAR EXTENSION)		
Bidder #1 Hyundai Corp.	Bidder #2 IP&E Holdings, LLC	Bidder #3 Mobil Oil Guam, Inc
\$97,576,000.00	\$179,340,000.00	\$128,160,000.00
\$1,433,964,000.00	\$1,515,728,000.00	\$1,464,548,000.00