



GWA RESOLUTION NO. 06–FY2024

**RELATIVE TO APPROVAL OF AN INCREASE IN FUNDING AND SCOPE OF
WORK FOR CONSTRUCTION MANAGEMENT CONTRACT OF SANTA ROSA,
SINIFA, AND SANTA RITA TANK AND SYSTEM UPGRADES**

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 is currently working on critical reservoir projects at the GWA Santa Rosa, Sinifa, and Santa Rita reservoir sites under the 2011 Court Order (“CO”) Paragraph 29 – Storage Tank/Reservoir Repair, Replacement, and Relocation Program; and

WHEREAS, GWA Management filed a Motion to Extend Time to Complete Storage/Reservoir Tank Project at Subparagraphs 29(B)(6)(i) and 29(B)(6)(ii) to revise the number of reservoirs required to be completed and to extend the completion date to December 31, 2025; in which the Order Granting Co-Defendants’ Amended Joint Unopposed Motion to Extend Time to Comply with the Court’s Order for Preliminary Relief was granted by the District Court of Guam on July 14, 2023; and

WHEREAS, under the revised storage requirements from the updated hydraulic storage analysis, the Santa Rita reservoir water storage volume can be moved to the Sinifa No. 1 and Sinifa No. 2 reservoir sites; and

WHEREAS, the CCU approved Resolution No. 13-FY2018 for Construction Management (CM) services on the construction projects at these sites, which authorized CM

1 contract funding of Two Million Nine Hundred Seventy-Seven Thousand Two Hundred Thirty-
2 Four Dollars and Sixty-Nine Cents (\$2,977,234.69) along with a 10% contingency of Two
3 Hundred Ninety-Seven Thousand Seven Hundred Twenty-Three Dollars and Forty-Seven Cents
4 (\$297,723.47) to bring the total authorized funding amount to a maximum of Three Million
5 Two Hundred Seventy-Four Thousand Nine Hundred Fifty-Eight Dollars and Sixteen Cents
6 (\$3,274,958.16) (Exhibit A); and

7
8 **WHEREAS**, the CCU approved Resolution No. 32-FY2020 which authorized
9 additional funding, due to construction permitting and archaeological delays, in the amount of
10 Thirty-Nine Thousand Six Hundred Thirteen Dollars and Ninety-Two Cents (\$39,613.92) to
11 supplement the available contingency of Two Hundred Ninety-Seven Thousand Seven Hundred
12 Twenty-Three Dollars and Forty-Seven Cents (\$297,723.47) to fund Change Order No.1 in the
13 amount of Three Hundred Thirty-Seven Thousand Three Hundred Thirty-Seven Dollars and
14 Thirty-Nine Cents (\$337,337.39), bringing the total authorized funding amount to Three Million
15 Three Hundred Fourteen Thousand Five Hundred Seventy-Two Dollars and Eight Cents
16 (\$3,314,572.08) (Exhibit B); and

17
18 **WHEREAS**, the CCU approved Resolution No. 25-FY2022 in the amount of Two
19 Million Three Hundred Forty Thousand Three Hundred Seventy-Five Dollars and Seventy
20 Cents (\$2,340,375.70) which authorized additional funding, due to delays by the impacts of the
21 COVID-19 pandemic, global supply chain issues, and a slope failure (landslide) event due to
22 severe weather at the Santa Rita reservoir site, all of which are unforeseen conditions and
23 beyond the control on the Contractor and CM, bringing the total authorized funding amount to
24 Five Million Six Hundred Fifty-Four Thousand Nine Hundred Forty-Seven Dollars and
25 Seventy-Eight Cents (\$5,654,947.78) (Exhibit C); and

26
27 **WHEREAS**, the CCU approved Resolution No. 12-FY2023, in the amount of Nine
28 Hundred Fifty-Five Thousand Six Hundred Thirty-Six Dollars and Fifteen Cents (\$955,636.15)
29 which authorized additional funding, due to delays by the impacts of the Santa Rita Reservoir
30 pile foundation issues, requiring additional piles and redesign of the waterline, electrical,
31 roadway, and ponding basin due to the slope failure, bringing the total authorized funding
32

1 amount to Six Million Six Hundred Ten Thousand Five Hundred Eighty-Three Dollars and
2 Ninety-Three Cents (\$6,610,583.93) (Exhibit D); and

3
4 **WHEREAS**, the Santa Rosa and Sinifa Reservoirs have been substantially completed
5 and placed online in October 2022; however, due to Contractor's delay, work is ongoing at the
6 Santa Rosa booster pump station extending the Final Completion to May 27, 2024 and Sinifa
7 Reservoir control building extending the Final Completion to January 29, 2024; and

8
9 **WHEREAS**, GWA has issued a Notice of Special Damages to the Contractor (AIC,
10 International) on November 13, 2023, to be financially responsible for the Construction
11 Management services (GHD, Inc.) needed to complete the construction of the Santa Rosa
12 booster pump station and Sinifa control building due to Contractor's delays, and all remaining
13 related site work to Final Completion; and

14
15 **WHEREAS**, GWA and GHD have negotiated the scope and fee to continue
16 Construction Management services needed to complete the construction of the Santa Rosa
17 booster pump station and Sinifa control building in the amount of Three Hundred Ten Thousand
18 Three Hundred Nineteen Dollars and Ten Cents (\$310,319.10); and

19
20 **WHEREAS**, additional Construction Management support services including review of
21 Engineer of Record's (TG Engineers, PC) recommended slope failure rectification proposal,
22 additional geotechnical engineer and engineering geologist services, and cost estimation
23 services, are required to develop solution(s) for action to remediate the Santa Rita slope failure;
24 and

25
26 **WHEREAS**, due to the slope failure at the Santa Rita site and increased construction
27 cost of the revised routing of the water line installation, roadway development, slope
28 stabilization, and revised ponding basin works, and the uncertainty of future landslides, GWA
29 Management made the decision to defer the construction of the Santa Rita reservoir
30 construction until a permanent slope stabilization solution is developed; and

1 **WHEREAS**, GWA and GHD have negotiated a scope and fee of Twenty-Three
2 Thousand Three Hundred Dollars and Zero Cents (\$23,300.00) for as-needed geotechnical
3 engineering consultant support to include review of the Engineer of Record's recommended
4 slope failure rectification proposal; and

5
6 **WHEREAS**, GWA and GHD have negotiated a scope and not-to-exceed fee of Two
7 Hundred Four Thousand Six Hundred Seventy-Four Dollars and Zero Cents (\$204,674.00) to
8 give GWA the option to conduct supplemental geotechnical investigations and to prepare
9 additional landslide remediation design, if required; and

10
11 **WHEREAS**, GWA and the Contractor are negotiating the scope and fee for the major
12 repair work of the Santa Rosa No. 1 and Sinifa No. 1 steel reservoirs, which are under the Court
13 Order for Preliminary Relief, to add to the Contractor's scope of work; and

14
15 **WHEREAS**, GWA and GHD have negotiated a scope and not-to-exceed fee of Four
16 Hundred Sixteen Thousand Seven Hundred Ninety Dollars and Zero Cents (\$416,790.00) to
17 give GWA an option to include Construction Management support services for the Santa Rosa
18 No. 1 and Sinifa No. 1 steel reservoir major repair work, if required; and

19
20 **WHEREAS**, in order to provide continuity of needed construction management and
21 support services of this Court Order related work until construction has been completed, GWA
22 and GHD have negotiated a scope and fee of Nine Hundred Fifty-Five Thousand and Eighty-
23 Three Dollars and Ten Cents (\$955,083.10) (Exhibit E); and

24
25 **WHEREAS**, GWA Management is seeking the amount of Nine Hundred Fifty-Five
26 Thousand and Eighty-Three Dollars and Ten Cents (\$955,083.10) in additional funding to
27 execute a contract modification to continue construction management services, along with a
28 15% contingency of One Hundred Forty-Three Thousand Two Hundred Sixty-Two Dollars
29 (\$143,262.00) to bring the requested authorization to One Million Ninety-Eight Thousand Three
30 Hundred Forty-Five Dollars and Ten Cents (\$1,098,345.10); and

1 **WHEREAS**, funding for this project will be from the Bond Funds under the following
2 line item:

- 3 • PW 09-11 Water System Reservoirs 2005 Improvements
- 4 • Special Damages assessed to the Contractor

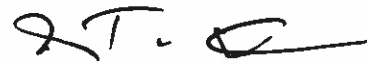
5
6 **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities
7 does hereby approve the following:

- 8
9 1. The recitals set forth above hereby constitute the findings of the CCU.
- 10 2. The CCU finds that the terms of the fee proposal submitted by GHD are fair
11 and reasonable.
- 12 3. The CCU hereby authorizes One Million Ninety-Eight Thousand Three
13 Hundred Forty-Five Dollars and Ten Cents (\$1,098,345.10) in additional
14 funding to bring the total authorized funding to Seven Million Seven
15 Hundred Eight Thousand Nine Hundred Twenty-Nine Dollars and Three
16 Cents (\$7,708,929.03).
- 17 4. The CCU hereby authorizes the management of GWA the option to issue
18 contract modifications in the not-to-exceed amount of One Million Ninety-
19 Eight Thousand Three Hundred Forty-Five Dollars and Ten Cents
20 (\$1,098,345.10).
- 21 5. The CCU hereby authorizes the funding source to be from the bond funds
22 under CIP item PW 09-11: Water System Reservoirs 2005 Improvements and
23 Special Damages assessed to the Contractor.

24
25 **RESOLVED**, that the Chairman certified and the Board Secretary attests to the
26 adoption of this Resolution.


27 **DULY AND REGULARLY ADOPTED**, this 28th day of November 2023.

28
29 Certified by:

30 

31 **JOSEPH T. DUENAS**
32 Chairperson

Attested by:


31 **PEDRO ROY MARTINEZ**
32 Secretary

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SECRETARY'S CERTIFICATE

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:	<u>5</u>
NAYS:	<u>0</u>
ABSENT:	<u>0</u>
ABSTAIN:	<u>0</u>



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