



**CONSOLIDATED COMMISSION ON UTILITIES**  
Guam Power Authority | Guam Waterworks Authority  
P.O. Box 2977 Hagåtña, Guam 96932 | (671) 648-3002 | guamccu.org

**GPA Resolution No. FY2024-32**

**Relative to Authorizing the Management of the Guam Power Authority to Petition the Public Utilities Commission to Award the Contract for the Supply of Diesel Fuel Oil No. 2 to the Various GPA Power Plant Site Locations.**

**WHEREAS**, the Guam Power Authority (GPA) was authorized by the CCU under GPA Resolution No. FY2024-14 and approved by the PUC under Docket 24-14 to issue bids for the procurement of a new Diesel Fuel Oil No.2 Supply Contract for delivery to various GPA power plant site locations as follows: **Site Location 1** (*Yigo CT and Yigo Diesel*), **Site Location 2** (*Dededo CT and Macheche CT*), **Site Location 3** (*Cabras 1&2 and Piti 7*), and **Site Location 4** (*Manenggon Diesel and Talofof Diesel*);

**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-050-24** describing the type of services required and specifying the type of information and data required of each offeror;

**WHEREAS**, IP&E Holding LLC ("IP&E"), and Mobil Oil Guam, Inc. ("MOGI") submitted bids for GPA consideration;

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

**WHEREAS**, MOGI was determined to be the lowest, most responsive bidder meeting the requirements of the bid solicitation to provide diesel fuel oil for **Site Location 1** (*Yigo CT and Yigo Diesel*). The Fixed Service Fee for the three-year base period are as follows: \$0.2800/gallon for the first year, \$0.2900/gallon for the second year, and \$0.3000/gallon for the third year, respectively. The estimated Fixed Service Fee Cost based on the estimated supply quantities are valued at approximately \$4,760,000.00 for the first year, \$870,000.00 for the second year, and \$900,000.00 for the third year, respectively, for a total of \$6,530,000.00 for the three-year contract base period. The estimated Contract values are as follows: \$45,947,600.00 for the first year, \$8,138,400.00 for the second year, and \$8,168,400.00 for the third year, respectively, for a total contract value of \$62,254,400.00 for the three-year contract base period;

**WHEREAS**, IP&E was determined to be the lowest, most responsive bidder meeting the requirements of the bid solicitation to provide diesel fuel oil for **Site Location 2** (*Dededo CT and Macheche CT*). The Fixed Service Fee for the three-year base period are as follows: \$0.3000/gallon for the first year, \$0.3000/gallon for the second year, and \$0.3000/gallon for the third year, respectively. The estimated Fixed Service Fee Cost based on the estimated supply quantities are valued at approximately \$5,700,000.00 for the first year, \$1,350,000.00 for the second year, and \$1,350,000.00 for the third year, respectively, for a total of \$8,400,000.00 for the three-year contract base period. The estimated Contract

values are as follows: \$51,733,200.00 for the first year, \$12,252,600.00 for the second year, and \$12,252,600.00 for the third year, respectively, for a total contract value of \$76,238,400.00 for the three-year contract base period;

**WHEREAS**, IP&E was determined to be the lowest, most responsive bidder meeting the requirements of the bid solicitation to provide diesel fuel oil for **Site Location 3** (Cabras 1&2 and Piti 7). The Fixed Service Fee for the three-year base period are as follows: \$0.2500/gallon for the first year, \$0.2500/gallon for the second year, and \$0.2500/gallon for the third year, respectively. The estimated Fixed Service Fee Cost based on the estimated supply quantities are valued at approximately \$1,050,000.00 for the first year, \$550,000.00 for the second year, and \$550,000.00 for the third year, respectively, for a total of \$2,150,000.00 for the three-year contract base period. The estimated Contract values are as follows: \$11,225,760.00 for the first year, \$5,880,160.00 for the second year, and \$5,880,160.00 for the third year, respectively, for a total contract value of \$22,986,080.00 for the three-year contract base period;

**WHEREAS**, MOGI was determined to be the lowest, most responsive bidder meeting the requirements of the bid solicitation to provide diesel fuel oil for **Site Location 4** (Manenggon and Talofoto Diesel). The Fixed Service Fee for the three-year contract base period are as follows: \$0.4770/gallon for the first year, \$0.4880/gallon for the second year, and \$0.5000/gallon for the third year, respectively. The estimated Fixed Service Fee Cost based on the estimated supply quantities are valued at approximately \$715,500.00 for the first year, \$390,400.00 for the second year, and \$400,000.00 for the third year, respectively, for a total of \$1,505,900.00 for the three-year contract base period. The estimated Contract values are as follows: \$4,349,700.00 for the first year, \$2,328,640.00 for the second year, and \$2,338,240.00 for the third year, respectively, for a total contract value of \$9,016,580.00 for the three-year contract base period;

**WHEREAS**, the combined Contract value with MOGI and IP&E for all the site locations for the three-year contract base period is estimated at **\$170,495,460.00** of which \$151,909,560.00 is for the direct fuel cost (subject to change depending on prevailing market price for diesel) and \$18,585,900.00 for the Fixed Service fee cost; and

**WHEREAS**, the Diesel Fuel Oil No.2 Supply Contract for the various GPA Plant Site Locations shall be for an initial period of three (3) years and is anticipated to commence in **January 01, 2025** and to expire in **December 31, 2027** with two one-year extension options renewable annually upon mutual agreement of both parties; now, therefore be it

**RESOLVED**, by the Consolidated Commission on Utilities, the governing body of the Guam Power Authority and subject to the review and approval of the Public Utilities Commission;

**RESOLVED**, that the General Manager of the Guam Power Authority is hereby authorized to enter into a three (3) year contract with **Mobil Oil Guam, Inc.** for the Supply of Diesel Fuel Oil No.2 to **Site Location 1** (Yigo CT and Yigo Diesel), and **Site Location 4** (Manenggon and Talofoto Diesel). The combined contract value for the three-year contract base period with Mobil Oil Guam, Inc. is estimated at **\$71,270,980.00** of which \$63,235,080.00 is for

the direct fuel cost (subject to change depending on prevailing market price for diesel) and \$8,035,900.00 is for the Fixed Service Fee cost;

**RESOLVED**, that the General Manager of the Guam Power Authority is hereby authorized to enter into a three (3) year contract with **IP&E Holdings, LLC** for the Supply of Diesel Fuel Oil No.2 to **Site Location 2** (Dededo CT and Macheche CT), and **Site Location 3** (Cabras 1&2 and Piti 7). The combined contract value for the three-year contract base period with IP&E Holdings, LLC is estimated at **\$99,224,480.00** of which \$88,674,480.00 is for the direct fuel cost (subject to change depending on prevailing market price for diesel) and \$10,550,000.00 is for the Fixed Service Fee cost;

**RESOLVED**, that 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 **Mobil Oil Guam, Inc. ("MOGI")**, and **IP&E Holdings, LLC ("IP&E")**. The over-all contract value for the three-year contract base period with **MOGI** and **IP&E** is estimated at **\$170,495,460.00** of which \$151,909,560.00 is for the direct fuel cost (subject to change depending on prevailing market price for diesel) and \$18,585,900.00 is for the Fixed Service Fee cost; and

**RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the Commission attests to the adoption of this resolution.

**DULY AND REGULARLY ADOPTED** at Mangilao, Guam, this 25<sup>th</sup> day of September 2024.

Certified by:

Attested by:



\_\_\_\_\_  
Joseph T. Duenas  
CHAIRPERSON



\_\_\_\_\_  
Pedro Roy Martinez  
SECRETARY

SECRETARY'S CERTIFICATE

I, **Pedro Roy Martinez**, Secretary for the Consolidated Commission on Utilities as evidenced by my signature above, do hereby certify:

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 members who were present voted as follows:

5 AYES  
0 NAYS  
0 ABSTENTIONS  
0 ABSENT



EXHIBIT A: MS IFB GPA-050-24 PRICE PROPOSAL ANALYSIS

SITE LOCATION 1

YIGO CT AND YIGO DIESEL

3 year Base Contract	1st CONTRACT YEAR		2nd CONTRACT YEAR		3rd CONTRACT YEAR		3-YEAR CONTRACT BASE PERIOD	
	Bidder #1	Bidder #2	Bidder #1	Bidder #2	Bidder #1	Bidder #2	Bidder #1	Bidder #2
	IP&E Holdings, LLC	Mobil Oil Guam, Inc	IP&E Holdings, LLC	Mobil Oil Guam, Inc	IP&E Holdings, LLC	Mobil Oil Guam, Inc	IP&E Holdings, LLC	Mobil Oil Guam, Inc
Estimated Quantity (gal/yr) <sup>1</sup>	17,000,000	17,000,000	3,000,000	3,000,000	3,000,000	3,000,000	23,000,000	23,000,000
Sample Reference Price (\$/gal) <sup>2</sup>	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228
Bid Fixed Service Fee Cost (\$/gal)	<u>\$0.6000</u>	<u>\$0.2800</u>	<u>\$0.6000</u>	<u>\$0.2900</u>	<u>\$0.6000</u>	<u>\$0.3000</u>	<u>\$0.600</u>	<u>\$0.284</u>
Estimated Contract Price (\$/gal)	\$3.0228	\$2.7028	\$3.0228	\$2.7128	\$3.0228	\$2.7228	\$3.0228	\$2.7067
Fixed Service Fee Cost (\$/yr)	\$ 10,200,000.00	\$ 4,760,000.00	\$ 1,800,000.00	\$ 870,000.00	\$ 1,800,000.00	\$ 900,000.00	\$ 13,800,000.00	\$ 6,530,000.00
Estimated Contract Cost (\$/yr)	\$ 51,387,600.00	\$ 45,947,600.00	\$ 9,068,400.00	\$ 8,138,400.00	\$ 9,068,400.00	\$ 8,168,400.00	\$ 69,524,400.00	\$ 62,254,400.00
Ranking (1 as the Lowest Bidder)							2	1

SITE LOCATION 2

DEDEDO CT AND MACHECHE CT

2 year Base Contract	1st CONTRACT YEAR		2nd CONTRACT YEAR		3rd CONTRACT YEAR		3-YEAR CONTRACT BASE PERIOD	
	Bidder #1	Bidder #2	Bidder #1	Bidder #2	Bidder #1	Bidder #2	Bidder #1	Bidder #2
	IP&E Holdings, LLC	Mobil Oil Guam, Inc	IP&E Holdings, LLC	Mobil Oil Guam, Inc	IP&E Holdings, LLC	Mobil Oil Guam, Inc	IP&E Holdings, LLC	Mobil Oil Guam, Inc
Estimated Quantity (gal/yr) <sup>1</sup>	19,000,000	19,000,000	4,500,000	4,500,000	4,500,000	4,500,000	28,000,000	28,000,000
Sample Reference Price (\$/gal) <sup>2</sup>	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228
Bid Fixed Service Fee Cost (\$/gal)	<u>\$0.3000</u>	<u>\$0.3320</u>	<u>\$0.3000</u>	<u>\$0.3410</u>	<u>\$0.3000</u>	<u>\$0.3510</u>	<u>\$0.3000</u>	<u>\$0.3365</u>
Estimated Contract Price (\$/gal)	\$2.7228	\$2.7548	\$2.7228	\$2.7638	\$2.7228	\$2.7738	\$2.7228	\$2.7593
Fixed Service Fee Cost (\$/yr)	\$ 5,700,000.00	\$ 6,308,000.00	\$ 1,350,000.00	\$ 1,534,500.00	\$ 1,350,000.00	\$ 1,579,500.00	\$ 8,400,000.00	\$ 9,422,000.00
Estimated Contract Cost (\$/yr)	\$ 51,733,200.00	\$ 52,341,200.00	\$ 12,252,600.00	\$ 12,437,100.00	\$ 12,252,600.00	\$ 12,482,100.00	\$ 76,238,400.00	\$ 77,260,400.00
Ranking (1 as the Lowest Bidder)							1	2

SITE LOCATION 3

CABRAS 1&2 and PITI 7

2 year Base Contract	1st CONTRACT YEAR		2nd CONTRACT YEAR		3rd CONTRACT YEAR		3-YEAR CONTRACT BASE PERIOD	
	Bidder #1	Bidder #2	Bidder #1	Bidder #2	Bidder #1	Bidder #2	Bidder #1	Bidder #2
	IP&E Holdings, LLC	Mobil Oil Guam, Inc	IP&E Holdings, LLC	Mobil Oil Guam, Inc	IP&E Holdings, LLC	Mobil Oil Guam, Inc	IP&E Holdings, LLC	Mobil Oil Guam, Inc
Estimated Quantity (gal/yr) <sup>1</sup>	4,200,000	4,200,000	2,200,000	2,200,000	2,200,000	2,200,000	8,600,000	8,600,000
Sample Reference Price (\$/gal) <sup>2</sup>	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228
Bid Fixed Service Fee Cost (\$/gal)	<u>\$0.2500</u>	<u>\$0.4550</u>	<u>\$0.2500</u>	<u>\$0.4660</u>	<u>\$0.2500</u>	<u>\$0.4770</u>	<u>\$0.2500</u>	<u>\$0.4634</u>
Estimated Contract Price (\$/gal)	\$2.6728	\$2.8778	\$2.6728	\$2.8888	\$2.6728	\$2.8998	\$2.6728	\$2.8862
Fixed Service Fee Cost (\$/yr)	\$ 1,050,000.00	\$ 1,911,000.00	\$ 550,000.00	\$ 1,025,200.00	\$ 550,000.00	\$ 1,049,400.00	\$ 2,150,000.00	\$ 3,985,600.00
Estimated Contract Cost (\$/yr)	\$ 11,225,760.00	\$ 12,086,760.00	\$ 5,880,160.00	\$ 6,355,360.00	\$ 5,880,160.00	\$ 6,379,560.00	\$ 22,986,080.00	\$ 24,821,680.00
Ranking (1 as the Lowest Bidder)							1	2

SITE LOCATION 4

MANENGNON AND TALOFOFO

2 year Base Contract	1st CONTRACT YEAR		2nd CONTRACT YEAR		3rd CONTRACT YEAR		3-YEAR CONTRACT BASE PERIOD	
	Bidder #1	Bidder #2	Bidder #1	Bidder #2	Bidder #1	Bidder #2	Bidder #1	Bidder #2
	IP&E Holdings, LLC	Mobil Oil Guam, Inc	IP&E Holdings, LLC	Mobil Oil Guam, Inc	IP&E Holdings, LLC	Mobil Oil Guam, Inc	IP&E Holdings, LLC	Mobil Oil Guam, Inc
Estimated Quantity (gal/yr) <sup>1</sup>	1,500,000	1,500,000	800,000	800,000	800,000	800,000	3,100,000	3,100,000
Sample Reference Price (\$/gal) <sup>2</sup>	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228	\$2.4228
Bid Fixed Service Fee Cost (\$/gal)	<u>\$0.6000</u>	<u>\$0.4770</u>	<u>\$0.6000</u>	<u>\$0.4880</u>	<u>\$0.6000</u>	<u>\$0.5000</u>	<u>\$0.600</u>	<u>\$0.486</u>
Estimated Contract Price (\$/gal)	\$3.0228	\$2.8998	\$3.0228	\$2.9108	\$3.0228	\$2.9228	\$3.0228	\$2.9086
Fixed Service Fee Cost (\$/yr)	\$ 900,000.00	\$ 715,500.00	\$ 480,000.00	\$ 390,400.00	\$ 480,000.00	\$ 400,000.00	\$ 1,860,000.00	\$ 1,505,900.00
Estimated Contract Cost (\$/yr)	\$ 4,534,200.00	\$ 4,349,700.00	\$ 2,418,240.00	\$ 2,328,640.00	\$ 2,418,240.00	\$ 2,338,240.00	\$ 9,370,680.00	\$ 9,016,580.00
Ranking (1 as the Lowest Bidder)							2	1

Notes:

<sup>1</sup> See Bid Package: Volume II- Schedule B for Estimated Quantities

<sup>2</sup> See Bid Package: Volume II- Section 5 for Sample Reference Price

SUMMARY:

	BIDDER #1	BIDDER #2	TOTAL	
LOWEST BID	IP&E	MOGI	All Sites	
SITE LOCATION	2&3	1&4		
ESTIMATED DIRECT FUEL COST*	\$ 88,674,480.00	\$ 63,235,080.00	\$ 151,909,560.00	* Subject to change depending on quantity and prevailing market price for diesel
FIXED SERVICE FEE COST	\$ 10,550,000.00	\$ 8,035,900.00	\$ 18,585,900.00	
ESTIMATED CONTRACT COST	\$ 99,224,480.00	\$ 71,270,980.00	\$ 170,495,460.00	