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PROCUREMENT ADDEALS

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Attorneys for Intervenor Taiwan Electrical and Mechanical Engineering Services, Inc.

## BEFORE THE OFFICE OF THE PUBLIC AUDITOR

In the Appeal of O&M ENERGY, S.A.,

Docket No. OPA-PA-09-008

MOTION TO DISMISS and MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION

Appellant.

## **MOTION TO DISMISS**

Comes now, Intervenor Taiwan Electrical and Mechanical Engineering Services, Inc. (hereinafter "TEMES"), by and through its counsel of record, The Law Offices of John S. Unpingco & Associates, LLC, and submits this Motion to Dismiss pursuant to 2 GAR § 12104(b)(8) and GRCP 12(b)(6).

\* \* \*

## MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION

2 GAR § 12104(b) and Appendix A, Part IV gives instruction on what needs to be filed on appeals. These are, *inter alia*,:

- 1. A concise, logically arranged, and direct statement of the grounds for appeal;
- 2. A statement specifying the ruling requested;
- 3. Supporting exhibits, evidence, or documents to substantiate any claims and the grounds for appeal unless not available within the filing time in which case the expected availability date shall be indicated.

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In the Appeal of O&M Energy, S.A., OPA-PA-09-008 Motion to Dismiss and Memorandum of Points and Authorities in Support of Motion Page 1 of 4 O&M Energy has not followed any of these instructions. Instead, we are left with ferreting out what their grounds for appeal is and having to guess what the supporting evidence is for their ground of appeal.

In O&M Energy's Protest Letter filed with the OPA on October 23, 2009, it states:

In summary during the performance of TEMES as PMC contractor during the last 8 years, the O&M expenditures reflected in the Annual Budgets have averaged 3 million USD, and has obtained plant sub-par performances of 84-86% availability. In the new proposal TEMES commits to achieve 90% availability with a diminished Annual Budget of only 1 million USD.

If this is the only ground for appeal then O&M Energy has not proven but merely asserted it as a ground. It has not developed the argument nor has it offered evidence to show why it is not in the realm of probability. If their argument is that the historical data does not support the availability, then they must say so. But even the historical data leaves them at the year 2008 and certain improvements may be brought on-line during 2009. The historical data is also faulty because it is static. The historical data does not take into account that there are improvements to the plant that are on-going and whose impact on the O&M budget is either just now being realized or whose impact is to be realized in the future.

O&M Energy goes on, in the same letter, to state:

We assert the plausible claim that TEMES is not the lowest possible and responsive bidder and did not submit a bid which conforms in all material aspects to this Multi-Step Bid as defined by the General Terms and Conditions found under Section #17 pertaining to Sections (D) and (G) as well as other material deviations which we will further reserve the right to present forthwith after we are afforded a fair opportunity to review the complete Procurement Files of TEMES as well as the GPA Bid review committee findings and analysis.

We therefore respectfully request your Good Office to hear our claims and permit us to the opportunity to present our substantive issues of Laws and Facts as we will prepare a full and comprehensive protest after receipt of pertinent procurement records from GPA.

Here, O&M Energy, is using the "Standards for Determination of Lowest Bidder" and trying to turn it into the grounds of this protest. Section D states that it is the "quality of performance of the bidder with regards to awards previously made to him" and Section G states that the "ability of the bidder to provide future maintenance services for the subject of the award." Again, ferreting out what the grounds of appeal for O&M Energy, if Sections D and G are to be taken as grounds for appeal, they are only assertions that TEMES will not be able to meet them and nothing more. This is not a concise, logically arranged and direct statement of the grounds for appeal. One is still left wondering what are the actual grounds for appeal.

In the second paragraph, quoted above, from their Protest Letter what O&M Energy seems to be saying is that they can flesh out the grounds of their appeal after they have been given a fair opportunity to review the complete Procurement Files as well as GPA Bid Review Committee findings and analysis. But, GPA did submit the Procurement Record to the OPA on November 5, 2009. It further submitted its agency report on November 13, 2009 the majority of which is the same as the Procurement Record. Thus, O&M Energy has had a fair opportunity to review the Procurement Record. Yet, it submitted its comments on November 27, 2009 and it was late. It was four (4) days late and its comments were still incomplete. Its attachments were not included and incomplete, *see e.g.* attachments 1, 2 and 3. It is the responsibility of the proponent of the pleading to ensure its completeness.

The penalty of a tardily filed pleading is stated in 2 GAR § 12104(c)(5) which states:

The failure of Appellant or Any Interested Party to comply with the time limits stated in this Section may result in resolution of the appeal without consideration of the Comments untimely filed.

We ask that there be no consideration of the Comments of Appellant to the Agency Report. The Agency Report which was filed on November 13, 2009, and, in this case, which is much like the Procurement Record filed on November 5, 2009 was there for O&M to review. O&M energy

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has had reasonable time to review them. But, the Comments are still incomplete. Worse, the Comments are widening the grounds for appeal. They, in effect, are a moving target. A protest is not meant to be a moving target, but a concise, logically arranged, and direct statement of the grounds for appeal. Appendix A, Part IV; 2 GAR § 12104(b)(8).

We were under the same time limits. 2 GAR § 12104(c)(4) states that "comments on the agency report by an Appellant or an Interested Party...shall be filed within ten (10) days after the Public Auditor's receipt of the report, with a copy to the agency office that furnished the report." Emphasis added. It would be manifestly unjust to favor the Appellant by allowing it an additional four (4) days in which to file its report than TEMES had.

In addition, Appellant did not serve the agency office with a copy of its Comments. This is clearly required by the regulations. See 2 GAR §12104(c)(4). In the interests of fair play we ask that the Appellant's Comments not be considered.

We submit that O&M Energy's intent and strategem all along is to use the protest mechanism to discover more information about the TEMES in the hopes that if there is to be a rebid, it can tailor its bid to be more competitive. This is so easy to do and costs so little. Such abuse of the procurement process must be stopped.

For all of the foregoing reasons, we ask that O&M Energy's protest be dismissed for failing to state the grounds for it.

Respectfully submitted this 9<sup>th</sup> day of December, 2009.

The Law Offices of John S. Unpingco & Associates, LLC

By:

Attorneys for TEMES