

GOVERNMENT OF GUAM

[] BID NUMBER: R-Pai (HULS: 540) GPM- 013-07

AMENDMENT:

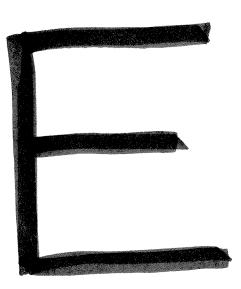
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TIME: < 16/22/09 100/00/ chemalor tony argunto Oftwar. con PHONE NUMBER 134.912-103-90 477-5327 +34-912-103-81 FAX NUMBER + 1201-205-254 477-5326 7958-979 1988-949 646.1682. 445-901-4706 845-901-4001 92- 2-3954 3328-170 6239-559 578-242 024 91-2- 349U-477-3175 FRESSIE 643033 2,20 TIME 11:35 1/21/04 9 ison 6:10 14/12/1 160/12/1 0404Bg DATE 60126160 04.30.00 DS. at. 09 | Compos Edvidm (Masycons, Com woodswep. win daridoewp. eo. Kr SIGNATURE PAUL LEANGERNA TOUN COM A CALL Tech. Fought Buker Jones Kum nekpme @ telegram. net MICHAEL AWARD Truin Block Tun Chric Lena FULL NAME (PRINT) Rick Unpingeo Tony Congente Josephine Santos Vausher Khan Feb FOURTSE! Korea-East Unst Paver | David Cho ż PRUVIENT ENERGY Fluor Enterprise, Imc. 25U Comultante, LLC WACTER GATAN VENDOR (PLEASE PRINT) Emay NONWARD CHICK MICT Woodfroop inss, tae) -40 NAEG W.Hdraws 4. 'n ю[;] ø. ۲. ø, Compus

404-711-3877-G





ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 26, 2009

MEMORANDUM

TO:

Graham Botha, Staff Attorney

FROM:

General Manager

SUBJECT:

Protest Letter

RE:

Invitation for Re-Bid Multi-Step Bid No.: GPA-013-07 for Performance Management Contract (PMC) Cabras 1&2 Steam Power Plants

In compliance with Section 9-101.03.4 of the Guam Procurement Regulations and Public Law 16-124, as amended, we are forwarding a copy of a "Stay of Procurement" and letter of Protest referenced above, and applies only to the following:

	, , , , , , , , , , , , , , , , , , ,
[]	We are currently reviewing the concerns and this transmittal is submitted for information purposes only.
[]	Please render an opinion for guidance.
[]	The information provided is as per your request.
[XX]	Other: For information purpose only

QUIN C. FLORES, P.E. General Manager



MEMORANDUM

GUAM POWER AUTHORITY

ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 26, 2009

ТО	:	Office of the Public Auditor
FRO	OM:	General Manager
SUE	BJECT:	Protest Letter
RE:		Invitation for Re-Bid Multi-Step Bid No.: GPA-013-07 for Performance Management Contract (PMC) Cabras 1&2 Steam Power Plants
In co amer applie	ompliance with Sec nded, we are forwa es only to the follow	tion 9-101.03.4 of the Guam Procurement Regulations and Public Law 16-124, as rding a copy of a "Stay of Procurement" and letter of Protest referenced above, and
[]	We are currently only.	reviewing the concerns and this transmittal is submitted for information purposes
[XX]	Please render ar	opinion for guidance.
[]	The information p	provided is as per your request.
[]	Othori	
		JOAQUIN C. FLORES, P.E. General Manager

RECEIVED OFFICE OF THE PUBLIC AUDITOR

DATE: 10-27-09

TIME: 1:40 pm

BY:



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 26, 2009

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Attorney General, Department of Law

FROM:

General Manager

SUBJECT:

Protest Letter

RE:

Invitation for Re-Bid Multi-Step Bid No.: GPA-013-07 for Performance Management Contract (PMC) Cabras 1&2 Steam Power Plants

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[]	We are currently reviewing the concerns and this transmittal is submitted for information purposes only.
[]	Please render an opinion for guidance.
[]	The information provided is as per your request.
[X]	Other: Information Purposes Only

JOAQUIN C. FLORES, P.E. General Manager

OF 14879



generación

Ms. Doris Flores Brooks
Public Auditor
Office of the Public Auditor
128 Archbishop Flores Street
Suite 401, Pacific News Building
Hagatna, Guam 96910

0&M ENERGY

PARQUE EMPRESARIAL LA FINCA P° DEL CLUB DEPORTIVO, 1-EDIFICIO 5 28223 POZUELO DE ALARGÓN IMAGRIDI ESPAÑA IEL (34) 91 210 39 00 FAX (34) 91 210 39 01

(Copy to Mr. Joaquin C. Flores, General Manager GPA)

RE: PROTEST LETTER FOR DENIAL OF PROCUREMENT PROTEST UNDER INVITATION FOR RE-BID MULTI-STEP BID # GPA- 013-07 FOR PERFORMANCE MANAGEMENT OF CONTRACT; CABRAS # 1 AND # 2 STEAM POWER PLANTS.

PROCUREMENT APPEALS

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Dear Ms. Brooks,

We are submitting herein in a timely manner, a Letter of Protest on behalf of O&M Energy S.A., regarding the above Guam Power Authority (GPA) Invitation For Re-Bid #GPA -013-07 (Performance Management Contract (PMC) Cabras 1&2 Steam Power Plant).

We received the letter of Denial of Protest (Annex 2) from Mr. Joaquin C. Flores, General Manager of GPA, denying our original Protest to GPA dated September 18th, 2009 (Annex 1), in which we protested GPA decision to propose the award to TEMES.

Our protest to GPA (annexed to this letter) was based on a series of grounds to consider TEMES proposal not to be the lowest responsible and responsive bidder. In summary, during the performance of TEMES as PMC contractor during the last 8 years, the 0&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.

Especially under normal industry standards governing a plant 37 years old, the question raised herein is how TEMES will be able to run this facility for the next five additional years with a proposed efficiency rate of 90%. This argument mandates the imposition of the GPA General Terms and Conditions standards for determination of the lowest bidder found under Section #17, subsections a) to h), as well as the requirements for "all parties involved in the preparation, negotiation, performance (past & present) or administration of contracts to act in good faith".

We, from a perspective of international operation and maintenance standards, believe that such a proposal must be considered irresponsible (according to Article 17 of General Terms and Conditions among others), since a) o&m costs can differentiate on a certain range depending on the quality of the contractor, but never to become one third of the average historical and the proposals of the rest of bidders (this may point out to a dumping of price), and b) if TEMES was able to perform the same services with better performance for one third of the costs incurred during the last eight years, we may be forced to ask the reasons why the cost has not been in that range earlier.



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These arguments, included and explained in detail in our Letter of Protest to GPA, have not found response in the Letter of Denial of Protest sent to us by Mr. Joaquin C. Flores.

We want to remark as well that, although only minor changes were made by GPA in this rebidding documentation as compared with the original bidding documents, a relevant modification is the deletion in the evaluation formula of any reference to Guaranteed Heat Rate. Looking at the results of the previous bidding process which was questioned and ordered to be re-bid by your Good Office, this was exactly a scoring chapter in which our proposal made a very high score compared with TEMES.

Consequently, we are filing the above aforementioned Bid Protest pursuant to the Guam Procurement Rules and Regulations found under 5 GCA, Chapter 5 and other pertinent Procurement Policies affording us these rights as the Lowest Responsible Bidder.

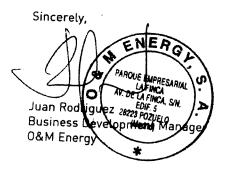
We assert the plausible claim that TEMES is not the lowest responsible and responsive bidder and did not submit a Bid which conforms in all material aspects to this Multi-Step Bid as defined in the General Terms and Conditions found under Section #17 pertaining to sections (D) and (G) as well as other 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 GPA Bid Review Committee findings and analysis.

Furthermore under the standards for determination of the lowest responsible bidder we will assert material claims that TEMES Bid did not satisfy all mandatory aspects therein and will present to your Agency a full and creditable argument.

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

We look forward to hearing from you and your Good Office in advancing the best interest of the

Thank you,



ATTACHMENTS:

- Letter of Denial of Protest from Mr. Joaquin Flores (General Manager GPA), Oct 7th,
- Letter of Protest from 0&M Energy to GPA, Sep 18th, 2009

Att.: Mr. Joaquin C. Flores General Manager GUAM POWER AUTHORITY P.O. Box 2977 Hagatna, Guam 96932

O&M ENERGY

PARQUE EMPRESARIAL LA FINCA P . DEL CLUB DEPORTIVO, 1-EDIFICIO S 28223 POZUELO DE ALARCON (MADRIO) ESPARA TEL 1341 91 210 39 80 FAX 1341 91 210 39 01

Cc/ Office of the Public Auditor, Ms. DORIS FLORES BROOKS

September 18th, 2009

Subject: Letter of Protest regarding INVITATION FOR RE-BID MULTI-STEP BID #GPA-013-07

for Performance Management Contract (PMC) of the Guam Power Authority Cabras

#1 & #2 Steam Power Plant

Dear Mr. Flores,

After reception of your communication on the 9th of September 2009, in which you inform to us about the rejection of our bid for the abovementioned project due to "low positive net present value" and the recommendation for award to TEMES Inc. we are now exercising our rights under the Guam Procurement Rules and Regulations found under 5 GCA, Chapter 5 to protest your decision, and it is hereby filed within a timely manner.

As stated in our previous communications to you, dated on July 27th and 30th, 2009, a copy of which we are attaching, TEMES Inc. proposal should be considered irresponsible and nonresponsive under the General Terms and Conditions, section 1, which requires all parties involved to act in good faith. A number of facts supporting this petition are clearly stated in these

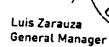
As such, we are kindly requesting for a complete set of copies of this procurement files as afforded by the above procurement policy.

We look forward to hopefully resolving this matter consistent with the standards set forth in determining the lowest responsible bidder which we firmly believe that we have satisfied with this procurement requirements hereunder.

Thank you for your time and support in providing us these essential documents required in order to further advance in this Notice of Protest.

Please do not hesitate to contact us with respect to any questions or queries herein.

Sincerely yours,





O&M ENERGY

PARQUE EMPRESARIAL LA FINCA P * DEL CLUB DEPORTIVO. 1-EDIFICIO 5 19223 POZUELO DE ALARCON IMADRIO) ESPAÑA 1EL 1341 91 210 39 00 FAX (341 91 210 39 01

To the attention of:

Mr. Joaquin C. Flores General Manager Guam Power Authority Madrid, July 30th 2009

Copy to:
Ms. Jamie L.C. Pangilinan
Supply Management Administrator
Guam Power Authority

Subject: Re-Bid for Multiple-step Bid No. GPA-013-07 Performance Management Contract for Cabras #1 and #2 Steam Power Plants

Dear Mr. Flores,

Following our previous communication regarding this issue, for your review and financial/technical analysis we are conducting a full scale cost benefit analysis of "the quality of performance of the bidder with regards to awards previously made to him".

These cost comparison and close examination of Temes previous PMC performances pursuant to the above general Terms and Conditions under section #17, subsection g):

"The ability of the bidder to provide future maintenance and services for the subject of the award"

This issue inevitably becomes significant whereas our financial model and performance charts (please see attached charts 1 and 2) indicates that Temes did not satisfy the above threshold and in lieu of their past history, with an 0&M Annual Budgets for 2008 at \$ 3.6 million as well as other previous years in excess of over \$ 2.5 million, in spite of previously overhauled engines. This must be viewed by GPA as non-responsive and not the lowest responsible bidder pursuant to the above mandates.

If Temes was not able to perform its PMC duties with substantial 0&M Annual Budgets of \$ 2.4 to \$ 3.6 million, the question becomes significant as to their "ability to provide future maintenance and services for the subject award" with their current Priced Proposal for an Annual Budget of \$ 1 million at 90% availability, versus their past history of sub-par performances at 84-86% availability, and clearly any award to Temes will be a serious indictment on GPA / CUC / PUC failures to permit Temes to engage in overcharging and fleecing the 46,000 Guam rate payers.

We submit our review of Temes past performance history as evidence of the irresponsibility incurred in presenting a Priced Proposal completely inconsistent with past performances and



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industry standards, thus clearly not comporting to all of the Procurement Requirements found under the Procurement Documentation.

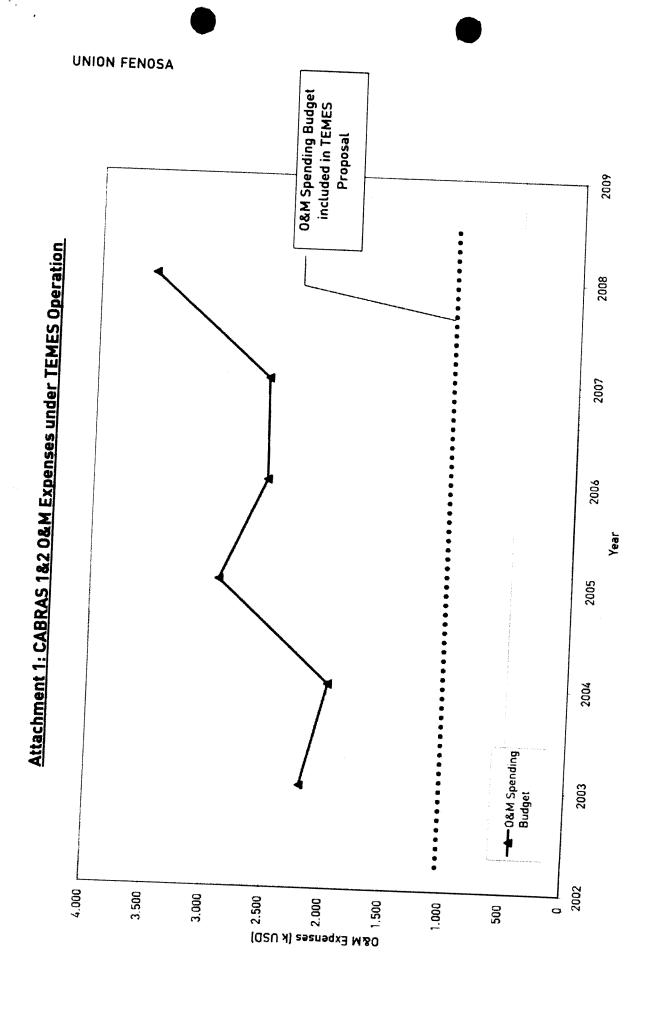
We look forward to your final review and await your decisions as to upholding the core values of accountability, impartiality, competence, openness and value as embraced by your competent leadership and management team.

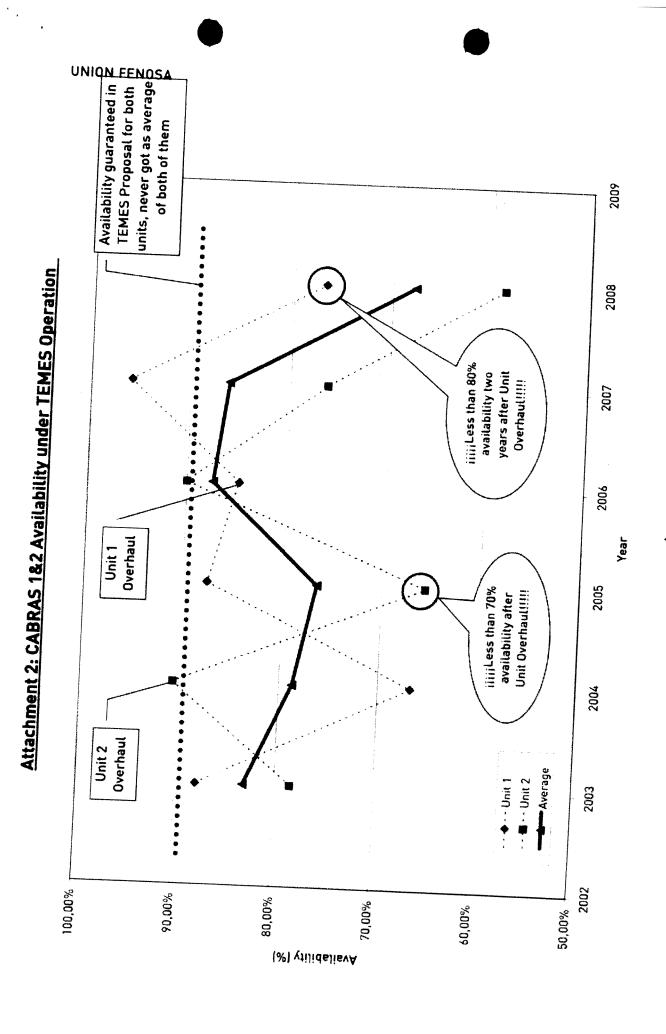
AY DE LA FINCA AY DE LA FINCA. SM. EDIF 5 28223 POZUELO (Madrid)

Yours sincerely,

Luis Zarauza General Manager O&M Energy

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O&M ENERGY

PARQUE EMPRESARIAL LA FINCA P.º DEL CLUB DEPORTIVO: 1-EDIFICIO 5 7823] POZVELO DE ALARCÓN (MADRID) ESPAÑA 1EL: 131 91 210 19 80

TEL 1341 91 218 39 80 FAX 1341 91 218 39 81

Madrid, July 27th 2009

To the attention of:

Mr. Joaquin C. Flores General Manager Guam Power Authority

Copy to:

Ms. Jamie L.C. Pangilinan Supply Management Administrator Guam Power Authority

Dear Mr. Flores.

After the public opening of Price Bids for the Cabras 1&2 Performance Management Contract carried out by your Office on August 22^{M} , 2009, we have noticed certain irregularities in the contents of Temes bid that we want to bring up to your consideration.

Temes proposal should be considered irresponsible and non-responsive as required under the General Terms & Conditions, section 1, which "requires all parties involved in the preparation, negotiation, performance, or administration to act in good faith", and we base this on the following grounds:

- Temes bid shows a NPV (Net Present Value) of \$ 9.4 million, versus the other two proposals with NPVs of \$ 5.3 million, and \$ 4.5 million. This means NPV of Temes is extremely higher [77% and 108%] than the NPVs of the other two bids received.
- "Proposed 0&M Spending Budget" value of \$ 1 million is presented by Temes for Year 1. The other two bidders include values of \$1.9 and \$2.4 million. Again, the comparison shows that Temes "Proposed 0&M Spending Budget" for year 1 is extremely and unreasonably lower. Similar ratios are found for subsequent years in which a escalation factor is applied by bidders.
- A technical analysis of the O&M Spending Budget with the information that has been provided to all bidders, show that there is no way in which the facility can be operated and maintained with such a low budget without seriously compromising the plant personnel safety, prudent industry standards, and condition of the facility.
- More than that, this low value can not be considered a mistake and it must be deemed as intentional, since Temes has been performing the PMC for the last multiple years, thus being extremely knowledgeable of the actual historical financial data. Actual available values of "O&M Spending" for the previous 6 years show values in the range of the \$ 2-3 million (see attached document extracted from the bid documentation provided by GPA).



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For year 2008, 0&M Spending Budget under Temes was \$ 3.4 million. Even previous Temes bid had values within that range (USD 2,130,000).

In summary, Temes value consciously deviates from any logical value. Based on industry standards, this is unreasonable, and fails to meet the good faith required in the process. Usually, such differences between one proposal and the rest show signs of a bid that can be considered incurring in predatory pricing, and/or in the category of "less than fair value". In this case, considering Temes knowledge of the plant historical performance and expenditures, it can be sustained that there has been an intentionality to artificially alter the normal result of the bidding process.

Furthermore, in the General Terms and Conditions Section 17, it is established that the Chief Procurement Office shall be guided by the following (among others): D) the quality of performance of the bidder with regards to awards previously made to him, and G) the ability of the bidder to provide future maintenance and services for the subject of the award. Considering that for the last years Temes has not been able to reach the availability presented in this Bid, and incurring at a much higher cost, it is necessary to consider this historical performance at the time of evaluating this current proposal from Temes.

All these arguments bring us to the conclusion that Temes has intentionally presented a Bid with a less than fair value, and that obviously lacks bona fide (good faith).

Considering all the above, and in the certainty that GPA gives capital relevance to the transparency and fairness of its procurement processes, we request the disqualification of Temes bid, and we remain waiting for your favourable action reserving our right to further proceed and/or support you in this argument in higher instances of the relevant Guam Government Offices if it becomes necessary.

Yours sincerely

Luis Zarauza General Manag

28223 POZUELO

0&M Energy

UNION FENOSA

Attachment: Actual O&M Spending, 2003-2008. Source: Bidding documents.

Object Code		CY 2003 Actual 5					CY 200
	Overtime				Actual	S Actual S	Actual
		\$61,903	585,07	667,970	712,705		839,56
15	Heavy Equipment Rental	1. a. Santa 1. [1.27]	A			Color de Seda	0.777,200
17	Other Rentals	3,690	2,620			2,620	1 1 70 4
25	Technical Services	22,178	27,053	5,820	289	1,722	1.684
26	EPA Services				18,142	5,955	100 40
27	Other Professional Services	22,055	53,370	69,545	112.368		108,456
29	Grounds Maintenance	181,195	248,852	340,724	50,291	39,811	59,625
32	Office Equipment Maintenance	512	24,600	65.019	59,891	49,343	64,833
-	Power Plant Accessory Equip.	751		842	100		49,436
33	i Alaint.	52,272	21,482	24,283	21,829	6,748 47,689	
38	Other Maintenance		1				75,400
40	Water	291.031	183,155	242,590	124,365	79,721	54,039
	Telephone (Overseas)	2,316	6,138	10,017			
43	Other Contractual Services	28,790	24,757		8,225	8,807	7,514
44	Boiler & Assoc. Equip. Parts			207,513	54,133	130,153	348,808
45	(Inventory Issue) Turbine & Assoc. Equip. Parts	316,133	150,231	282,341	269,168	112,150	263,198
47	(Inventory Issue)						
46	Accessory Equipment				1		13.890
48	EPA & Others	57,161	143,609	195,290	298,144	454,439	529,129
49	Conductors, Poles & Line	+				11.0,000	
47	Hardware	2,231	428			 	15.669
55	Diesel Plant Part	26 120				15,138	15,424
56	Chemicals	36,339	179	817	1,365	164,364	143,825
57	Gases	84,482	270,588	347,184	298,148	341.614	385,290
.58	Lubrication	24,241	41,524	73,597	91,766	89,979	101,953
62	Other Materials	12,938	22,673	43,427	12,359	76,277	78,691
64	Janitorial Supplies	111,278	94,319	224,906	320,660	123,986	264,201
65	Office Supplies	9,411	5,839			220,000	104,201
66	Safety Supplies	8,574	5.601	5,419	2.288	2.072	8,763
67	Printed Forms	9,917	20.363	31,768	27,806	24.119	36,558
	Xerox Supplies	5,179	5.132	7,782	841	1,559	1,255
69 1	Uniform/Coveralls	889	1,560	307	3,265	3.158	
	Tools	6,445	3,816	2,356	3,153	4,289	4,701
	Other Administrative General	19,582	22,812	30,026	31,754	41,792	1.276
13	supplies .	20,495	25,603	39,883	34,674	34,680	21,490
7 1	raining & Materials	10,648	483			,000	47,939
0 1	ravel (Local)		103	840		132,893	432
	Off-Island Travel			10,829			
	ibers	429	1.000			11,700	
Tota	l Non-Labor (Codes 15-82)		1,680	5,040			
V. 7. 2 40 000		4,376,408 1	.408,466	2,268,165	1,845,025	2,107,144 2	,708,480



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O.BOX 2977 • AGANA. GUAM U.S.A. 96932-2977

FACSIMILE TRANSMITTAL COVER LETTER

	Date:	October 12, 2009
7044 F		

Please deliver the following to: O&M Energy, S.A.

Attn: Clarice Lema/

Juan Rodriguez Martin de los Santos

From: Melissa C. Uncangco

Buyer II

Subject:

GPA's Response to O&M Protest dated 09/18/2009, for GPA-013-07,

Re-bid PMC Cabras 1&2 Multi-Step bid

Hafa Adai!

Kindly acknowledge receipt of the following by signing below and return fax to (671) 648-3165.

Received By: Signature	Date:
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Confidentiality Notice: The information in this facsimile is intended for the named recipients ONLY. It may contain instructions requiring the immediate attention of the addressee. If you receive this facsimile in error, or if there is a transmission error, please notify us immediately.

THANK YOU

Number of pages: 6

Sent by: Melissa C. Uncangco

Date: 10/12/2009

DENIAL OF PROCUREMENT PROTEST

October 7, 2009

Mr. Juan Rodriguez Martin de los Santos Business Development Manager O&M Energy, S.A. Parque Empresarial "La Finca" Paseo del Club Dejportive, 1 28223 Pozuelo de Alarcon Madrid Spain

RE: Guam Power Authority's Response to O&M Protest dated September 18, 2009, for GPA-013-07 (Re-Bid PMC Cabras 1&2 multi-step bid)

Dear Mr. Del los Santos:

I have reviewed your protest letter dated September 18, 2009, protesting Guam Power Authority's (GPA) Award of GPA-013-07 (Re-Bid PMC Cabras 1&2 multi-step bid) to Taiwan Electrical and Mechanical Engineering Services, Inc, and the rejection of our [O&M] bid for the abovementioned project due to low positive net present value.

1. There is no merit to your claim that the TEMES price proposal was "irresponsible and non responsive", based on O&M's perception that TEMES was not acting in good faith under the General Terms and Conditions. The bid evaluation committee reviewed all three bids submitted and determined that all bidders were technically qualified. When the sealed bid proposals were reviewed, the bid evaluation committee determined that the TEMES price proposal was responsive and complied with all the requirements requested by Guam Power Authority in the bid package. GPA reviewed the bid packages and provided a notice of intent to award to the lowest responsible and **responsive** bidder. A responsive bidder is a person who has submitted a bid which conforms in all material respects to the Invitation for Bids. 5 GCA

§5201(g) and 2 GAR, Div. 4, Chap. 3, §3109(n)(2). Further, any bidder's offering which does not meet the acceptability requirements shall be rejected as non-responsive. 2 GAR, Div. 4, Chap. 3, §3109(n)(3)(c).

2. GPA-013-07 is a multi-step bid process in which GPA qualified all bidders first on whether the bidders met the technical specifications. In this case, GPA was provided with sealed price proposals from all three bidders which were not opened by GPA until after completion of the technical review. The technical review committee qualified all three bidders, TEMES, Korea East West Power, and O&M Energy as technically qualified under the multi-step process. On July 22, 2009, at 2:00 p.m., the sealed bid proposals of the three qualified bidders were opened in the presence of company representatives. The representatives were provided a copy of the Abstract of Bids which lists the Net Present Value (NPV) of the three bidders, a copy of which is attached hereto as Exhibit "A". TEMES had the highest 5 year NPV (\$9,394,142.33) followed by O&M (\$5,353,457.28), and then Korea East (\$4,939,222.46).

.Here the intent to award was made to TEMES, as it was deemed to be the lowest, responsive and responsible bidder for these items. Their bid was responsive to the multi-step bid and complied with the specifications set forth in the multi-step bid. TEMES provided a responsive bid as required by GPA in its multi-step bid, and had the lowest price for the five year contract, as reflected in the highest net present value. The five year net present value for TEMES was calculated at \$9,394,142.33 and the net present value for the next highest bidder, O&M, was calculated at \$5,393,497.28, which represents a savings to GPA of approximately \$4 million dollars over five years. GPA can not speculate as to the differences in the bids submitted by the different bidders. Therefore, GPA hereby finds that there is no merit to O&M's claim that the

TEMES bid is irresponsible and non-responsive.

O&M Energy Union Fenosa is hereby ON NOTICE that this is the Guam Power Authority's final decision concerning O&M Energy Union Fenosa's September 18, 2009 bid protest for the above described multi-step bid. You are hereby advised that O&M Energy Union Fenosa has the right to seek judicial review.

Sincerely,

JOAQUIN'C. FLORES, P.E.

General Manager, Guam Power Authority

	1 2	67/23/09 2:00 p.M																			
	PURCHASES & STORES DIVISION GUAM POWER AUTHORITY ABSTRACT OF BIDS	Continued Year Contract	2	LIVERY LIVERY		4+1 8 100,000.00 41,020,00.00	\$ 900/0 900/0 900/0 000/	2861. 96 010 90 90 90 90	1,277,172.39	First Hayle # 1,201,048:00 \$ 1,234 1,35 24 \$1 3.4 0.11 2.11	; ; i		\$5.30, 40.906 Sq. 30,0 91.306		-		P. 90 0/1	Wild the course of all sections and the course of the cour	Lawren September 200 ANARO ANARO LA ANAROTA JAMAREN ANAROTA AN	100/cc/W	Number of America (Contraction)
Number of inclinations issued	Number of Bag Avented Searthulen of Repolits to Services	trormance Lymf. Contract for the Primer Priese Plittering Cabon		i į į	D. TEMES, INC.	26	12	Zer, W		Tured East West tower	ны.	Mark Treet	LIP Y:	3. Union tenesa (A+H France.	A desired and a	Ni + 18	1	and been embred hearth.	Tener 10 febre 1. Co.		

Exhibit "A"

NAMES OF PERSONS PRESENT AT THE BID OPENING AND WHOM THEY REPRESENT (It is not morning to fill in this portion if data is mounted also when the best of the country of the

SUPERTRE										
W. W. Charter Dance South Lake	TENES PACTORAL COLL	:	6Ph Ly Trans	May 1186D						ACMINUSTRATIVE STATEMENT (Plan applicable)

Melissa Uncangco

From:

Melissa Uncangco [muncangco@guampowerauthority.com]

Sent:

Tuesday, October 27, 2009 11:48 AM

To:

"조한규"

Cc:

'sheep980@ewp.co.kr'

Subject:

Stay of Procurement- Re-bid Multi-Step Bid No. GPA-013-07, PMC Cabras 1&2

Attachments: Stay of Procurement-Korea East West.pdf

Good Morning Mr. Cho:

Kindly acknowledge receipt of attached Stay of Procurement relative to subject bid invitation.

Regards,

Melissa C. Uncangco

Buyer II

Procurement Division

Melissa Uncangco

From:

"전정원" [sheep980@ewp.co.kr]

To:

"Melissa Uncangco"

Sent:

Tuesday, October 27, 2009 11:44 AM

Subject:

Read: Stay of Procurement- Re-bid Multi-Step Bid No. GPA-013-07, PMC Cabras 1&2

This is a receipt for the mail you sent to ÀüÁ¤¿ø <sheep980@ewp.co.kr> at Tue Oct 27 10:48:28 2009

This receipt verifies that the message has been displayed on the recipient's computer at Tue Oct 27 10:48:28 2009



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 26, 2009

Korea East-West Power Co., Ltd 167, Samseong-Dong, Gangnam-Gu Seoul 135-791, Republic of Korea

ATTENTION: Mr. Byung Won So

Deputy G.M. of Business Development Team

Invitation for Multi-Step Bid No.: GPA-013-07 for Performance Management Contract SUBJECT:

(PMC) Cabras 1&2 Steam Power Plants

Stay of Procurement

Dear Mr. So:

Please be advised that the department has executed a "Stay of Procurement" on the above subject for Multi-Step Bid as a result of a protest letter submitted by O&M Energy, S.A. received by the Office of the Public Auditor dated October 23, 2009, until such time the concerns are resolved.

We are currently reviewing the Invitation for Bids submitted and will formally advise the outcome.

If you should have any questions, please feel free to contact the undersigned.

Respectfully,

JOAQUIN C. FLORES, P.E.

General Manager

Melissa Uncangco

From:

Melissa Uncangco [muncangco@guampowerauthority.com]

Sent:

Tuesday, October 27, 2009 11:44 AM

To:

'clema@unionfenosa.es'

Cc:

'DANNY.GUERRERO@YAHOO.COM'

Subject:

Stay of Procurement- Re-Bid GPA-013-07, PMC-Cabras 1&2

Importance: High

Attachments: Stay of Procurement- O&M Energy.pdf

Good Morning Clarice,

Kindly acknowledge receipt of attached Stay of Procurement to Re-Bid GPA-013-07, PMC for Cabras 1&2 Power

Regards,

Melissa C. Uncangco Buyer II Procurement Division



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 26, 2009

Union Fenosa generacion O&M Energy Parque Empresarial La Finca Paseo del Club Dejportive, 1 28223 Pozuelo de Alarcon Madrid, Spain

ATTENTION:

Mr. Juan Rodriguez

Business Manager

SUBJECT:

Invitation for Multi-Step Bid No.: GPA-013-07 for Performance Management Contract

(PMC) Cabras 1&2 Steam Power Plants

Stay of Procurement

Dear Mr. Rodriguez:

Please be advised that the department has executed a "Stay of Procurement" on the above subject for Multi-Step Bid as a result of a protest letter submitted by your company received by the Office of the Public Auditor dated October 23, 2009, until such time the concerns are resolved.

We are currently reviewing the Invitation for Bids submitted and will formally advise the outcome.

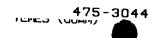
If you should have any questions, please feel free to contact the undersigned.

Respectfully,

JOAQUIN C. FLORES, P.E.

General Manager

DCT-27-2009 11:34



_p.1

Page: 1/1



GUAM POWER AUTHORITY

ATURIDAT ILEKTRESEDAT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 26, 2009

TEMES, INC. 178 Cabras Highway Piti, Guam 96915

ATTENTION: Mr. Tsun-Ren Ho

Business Manager, Guam

SUBJECT:

Invitation for Multi-Step Bid No.: GPA-013-07 for Performance Management Contract

(PMC) Cabras 182 Steam Power Plants

Stay of Procurement

Dear Mr. Ho:

Please be advised that the department has executed a "Stay of Procurement" on the above subject for Multi-Step Bid as a result of a protest letter submitted by O&M Energy, S.A. received by the Office of the Public Auditor dated October 23, 2009, until such time the concerns are resolved.

We are currently reviewing the invitation for Bids submitted and will formally advise the outcome.

If you should have any questions, please feel free to contact the undersigned.

Respectfully.

Kindly acknowledge receipt by signing below and return fax to (671) 648-3165.

JOÁQUIN C. FLORES, P.E. General Manager



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 26, 2009

TEMES, INC. 178 Cabras Highway Piti, Guam 96915

ATTENTION: Mr. Tsun-Ren Ho

Business Manager, Guam

SUBJECT:

Invitation for Multi-Step Bid No.: GPA-013-07 for Performance Management Contract

(PMC) Cabras 1&2 Steam Power Plants

Stay of Procurement

Dear Mr. Ho:

Please be advised that the department has executed a "Stay of Procurement" on the above subject for Multi-Step Bid as a result of a protest letter submitted by O&M Energy, S.A. received by the Office of the Public Auditor dated October 23, 2009, until such time the concerns are resolved.

We are currently reviewing the Invitation for Bids submitted and will formally advise the outcome.

If you should have any questions, please feel free to contact the undersigned.

Respectfully,

JOÁQUIN C. FLORES, P.E.

General Manager

Melissa Uncangco

From:

Melissa Uncangco [muncangco@guampowerauthority.com]

Sent:

Tuesday, October 27, 2009 11:52 AM

To:

'wizrun@gmail.com'

Subject:

Stay of Procurement- Re-Bid Multi-Step Bid GPA-013-07 PMC Cabras 1&2

Importance: High

High

Attachments: Stay of Procurement-TEMES.pdf

Good Morning Walter,

Kindly acknowledge receipt of attached Stay of Procurement to Re-Bid Multi-Step Bid No.: GPA-013-07, PMC Cabras 1&2 Power Plant.

Regards,

Melissa C. Uncangco Buyer II

Procurement Division

Fax Confirmation Report

Date/Time

: OCT-27-2009 11:34AM TUE

Fax Number

: 671 648 3165

x Name

: GPA PROCUREMENT

.odel Name

: WorkCentre 4150

Total	Pages	Scann	ed:
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No. Remote Station

1 StartTime

Duration Page

Mode

Job Type Result

001 4775328 10-27 11:33AM

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001/001

EC

HS

CP

Abbreviations:

HS: Host Send

PL:Polled Local

CP: Completed PR: Polled Remote FA: Fail

TS: Terminated by System

RP:Report

G3:Group3

HR: Host Receive WS: Waiting Send

MS: Mailbox Save TU: Terminated by User EC: Error Correct

MP: Mailbox Print



GUAM POWER AUTHORITY

ATURIDĀT ILEKTRESEDĀT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 26, 2009

TEMES, INC. 178 Cabras Highway Piti, Guam 96915

ATTENTION: Mr. Taun-Ren Ho Business Manager, Guam

SUBJECT:

Invitation for Multi-Step Bid No.: GPA-013-07 for Performance Management Contract (PMC) Cabras 18.2 Steam Power Plants

Stay of Procurement

Dear Mr. Ho:

Please be advised that the department has executed a "Stay of Procurement" on the above subject for Multi-Step Bid as a result of a protest letter submitted by O&M Energy, S.A. received by the Office of the Public Auditor dated October 23, 2009, until such time the concerns are resolved.

We are currently reviewing the Invitation for Bids submitted and will formally advise the outcome.

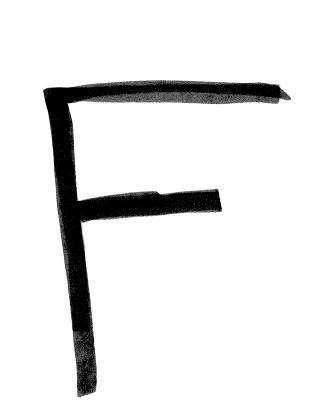
If you should have any questions, please feel free to contact the undersigned.

Respectfully.

Kindly acknowledge receipt by signing below and return fax to (671) 648-3165.

JOAQUIN C. FLORES, P.E.

NAME (PRINT/SIGN) DATE



Melissa Uncangco

From:

clema@unionfenosa.es

Sent:

Tuesday, October 13, 2009 9:29 PM

To:

Melissa Uncangco

Cc:

DANNY.GUERRERO@YAHOO.COM

Subject:

Re: Stay of Procurement Lift Ltr. Re-Bid GPA-013-07 for PMC Cabras 1&2 Power Plant

Importance: High

Attachments: _1013093536_001.pdf

Dear Melissa.

Reception confirmed.

Best regards,

Clarice Lema **Business Development O&M Energy** Paseo del Člub Deportivo 1, Edificio 5, P. E. La Finca 28223 Pozuelo de Alarcón, Madrid, Spain Switchboard: +34 912 103 900; Direct: +34 912 577 263 Fax: +34 912 103 901 clema@unionfenosa.es

Para <clema@unionfenosa.es>

"Melissa Uncangco"

<muncangco@guampowerauthority.com>

CC <DANNY.GUERRERO@YAHOO.COM>

Asunto Stay of Procurement Lift Ltr. Re-Bid GPA-013-07 for PMC Cabras 1&2 Power

12/10/2009 09:12

Good Afternoon Clarice/Danny:

Kindly acknowledge receipt of response letter to Protest letter submitted by your company dated September 22,

Regards,

Melissa C. Uncangco

Buyer II

Procurement Division

[anexo O&M Letter October dated Oct. 07.pdf eliminado por Clarice Lema Delphine/Soluziona O&M/GUF]

Este mensaje y sus documentos anexos son privados y confidenciales y estan dirigidos exclusivamente a sus

destinatarios. Si por error, ha recibido este mensaje y no se encuentra entre los destinatarios, por favor, no use,

informe, distribuya, imprima o copie su contenido por ningun medio. Le rogamos lo comunique al remitente y borre

todo su contenido.

La empresa no asume ningun tipo de responsabilidad legal por el contenido de este mensaje. Cualquier opinion

manifestada en el pertenece solo al autor y no representa necesariamente la opinion de la compañía salvo que

expresamente se especifique lo contrario.

This message and its attached files may contain confidential and/or privileged information. If you are not the addressee

or authorized to receive this for the addressee, you must not use, copy, disclose, or take any action based on this message

or any other information herein. If you have received this message in error, please notify the sender immediately by reply

e-mail and delete this message.

The company does not assume any legal responsability for the contents of this message. Any opinion contained in it belongs

exclusively to its author and does not necessarily represent the company's opinion unless it is specifically expressed on the contrary.



From: Melissa Uncangco [muncangco@guampowerauthority.com]

Sent: Monday, October 12, 2009 5:05 PM

To: 'wizrun@gmail.com'

Stay of Procurement Lift Ltr. Re-Bid GPA-013-07 for PMC Cabras 1&2 Power Plant

Importance: High

Attachments: TEMES.pdf

Good Afternoon Walter,

Kindly acknowledge receipt of attached letter in response to Protest letter submitted by O&M Energy.

Regards,

Melissa C. Uncangco Buyer II

Procurement Division

ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 12, 2009

TEMES, INC. 178 Cabras Highway Piti, Guam 96915

ATTENTION:

Mr. Tsun-Ren Ho

Branch Manager, Guam

SUBJECT:

Invitation for Re-Bid Multi-Step No.: GPA-013-07 for Performance

Management Contract (PMC) Cabras 1&2 Power Plants

REFERENCE:

"Stay of Procurement" dated September 22, 2009

Dear Mr. Ho:

Pursuant to the protest letter submitted by O&M Energy, S.A., you are hereby advised that GPA declares that their protest to be without merit.

The referenced "Stay of Procurement" has been lifted and we anticipate making an award relative to the subject Invitation for Bid.

This is my final determination. However, you have the right to seek judicial review within the confines of the law.

Respectfully,

Ю́AQUIN C. FLORES, Р.Е.

General Manager

CC:

Attorney General

Office of the Public Auditor

Staff Attorney



From: Melissa Uncangco [muncangco@guampowerauthority.com]

"'조한규""; 'sheep980@ewp.co.kr'

Sent: Monday, October 12, 2009 5:08 PM

Subject: Stay of Procurement Lift Ltr. Re-Bid GPA-013-07 for PMC Cabras 1&2 Power Plant

Importance: High

Attachments: Korea East West Power.pdf

Good Afternoon Mr. Cho:

Kindly acknowledge receipt of attached letter in response to Protest letter submitted by O&M Energy.

Regards,

To:

Melissa C. Uncangco Buyer II Procurement Division





ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 12, 2009

Korea East-West Power Co., Ltd. 167, Samseong-Dong, Gangnam-Gu Seoul 135-791, Republic of Korea

ATTENTION: Mr. Byung Won So

Deputy G.M. of Business Development Team

SUBJECT: Invitation for Re-Bid Multi-Step No.: GPA-013-07 for Performance

Management Contract (PMC) Cabras 1&2 Power Plants

REFERENCE: "Stay of Procurement" dated September 22, 2009

Dear Mr. So:

Pursuant to the protest letter submitted by O&M Energy, S.A., you are hereby advised that GPA declares that their protest to be without merit.

The referenced "Stay of Procurement" has been lifted and we anticipate making an award relative to the subject Invitation for Bid.

This is my final determination. However, you have the right to seek judicial review within the confines of the law.

Respectfully,

JOAQUÍN C. FLORES, P.E.

General Manager

cc: Attorney General

Office of the Public Auditor

Melissa Uncangco

From:

Melissa Uncangco [muncangco@guampowerauthority.com]

Sent:

Monday, October 12, 2009 5:11 PM

To:

'clema@unionfenosa.es'

Cc:

'DANNY.GUERRERO@YAHOO.COM'

Subject:

Stay of Procurement Lift Ltr. Re-Bid GPA-013-07 for PMC Cabras 1&2 Power Plant

Importance: High

Attachments: O&M Letter October dated Oct. 07.pdf

Good Afternoon Clarice/Danny:

Kindly acknowledge receipt of response letter to Protest letter submitted by your company dated September 22, 2009.

Regards,

Melissa C. Uncangco Buyer II **Procurement Division**



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

FACSIMILE TRANSMITTAL COVER LETTER

	Date:	October 12, 2009
Please deliver the following to:	O&M Energy, S.A. Attn: Clarice Lema/ Juan Rodriguez Martin de los Santos	
From:	Melissa C. Uncangco Buyer II	
Subject:	GPA's Response to O&M Protest dated Re-bid PMC Cabras 1&2 Multi-Step bid	
Hafa Adai!		
Kindly acknowledge receipt of the	ne following by signing below and return	fax to (671) 648-3165.
Received By:Print Name	Date: Signature	
	ormation in this facsimile is intended for	the named recipients ONLY . It

Confidentiality Notice: The information in this facsimile is intended for the named recipients <u>ONLY</u>. It may contain instructions requiring the immediate attention of the addressee. If you receive this facsimile in error, or if there is a transmission error, please notify us immediately.

THANK YOU

Number of pages: 6

Sent by: Melissa C. Uncangco

Date: 10/12/2009



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 12, 2009

MEM	ORANDUM											
TO:		Office of the Public Auditor										
FROM	Л :	General Manager										
SUBJ	ECT:	Protest Letter										
RE:		Invitation for Re-Bid Multi-Step Bid No.: GPA-013-07 for Performance Management Contract (PMC) Cabras 1&2 Steam Power Plants										
ament	npliance with Sect led, we are forwa the following:	tion 9-101.03.4 of the Guam Procurement Regulations and Public Law 16-124, as arding a copy of a "Stay of Procurement" lift letter referenced above, and applies										
[]	We are currently only.	reviewing the concerns and this transmittal is submitted for information purposes										
[]	Please render ar	opinion for guidance.										
[]	The information p	provided is as per your request.										
[X]	Other: <u>Informa</u>	ation Purposes Only										
		General Manager										



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 12, 2009

TEMES, INC. 178 Cabras Highway Piti, Guam 96915

ATTENTION:

Mr. Tsun-Ren Ho

Branch Manager, Guam

SUBJECT:

Invitation for Re-Bid Multi-Step No.: GPA-013-07 for Performance

Management Contract (PMC) Cabras 1&2 Power Plants

REFERENCE:

"Stay of Procurement" dated September 22, 2009

Dear Mr. Ho:

Pursuant to the protest letter submitted by O&M Energy, S.A., you are hereby advised that GPA declares that their protest to be without merit.

The referenced "Stay of Procurement" has been lifted and we anticipate making an award relative to the subject Invitation for Bid.

This is my final determination. However, you have the right to seek judicial review within the confines of the law.

Respectfully,

OAQUIN C. FLORES, P.E.

General Manager

cc:

Attorney General

Office of the Public Auditor



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 12, 2009

Korea East-West Power Co., Ltd. 167, Samseong-Dong, Gangnam-Gu Seoul 135-791, Republic of Korea

ATTENTION:

Mr. Byung Won So

Deputy G.M. of Business Development Team

SUBJECT:

Invitation for Re-Bid Multi-Step No.: GPA-013-07 for Performance

Management Contract (PMC) Cabras 1&2 Power Plants

REFERENCE:

"Stay of Procurement" dated September 22, 2009

Dear Mr. So:

Pursuant to the protest letter submitted by O&M Energy, S.A., you are hereby advised that GPA declares that their protest to be without merit.

The referenced "Stay of Procurement" has been lifted and we anticipate making an award relative to the subject Invitation for Bid.

This is my final determination. However, you have the right to seek judicial review within the confines of the law.

Respectfully,

TOAQUÍN C. FLORES, P.E.

General Manager

CC:

Attorney General
Office of the Public Auditor

DENIAL OF PROCUREMENT PROTEST

October 7, 2009

Mr. Juan Rodriguez Martin de los Santos Business Development Manager O&M Energy, S.A. Parque Empresarial "La Finca" Paseo del Club Dejportive, 1 28223 Pozuelo de Alarcon Madrid Spain

RE: Guam Power Authority's Response to O&M Protest dated September 18, 2009, for GPA-013-07 (Re-Bid PMC Cabras 1&2 multi-step bid)

Dear Mr. Del los Santos:

I have reviewed your protest letter dated September 18, 2009, protesting Guam Power Authority's (GPA) Award of GPA-013-07 (Re-Bid PMC Cabras 1&2 multi-step bid) to Taiwan Electrical and Mechanical Engineering Services, Inc, and the rejection of our [O&M] bid for the abovementioned project due to low positive net present value.

1. There is no merit to your claim that the TEMES price proposal was "irresponsible and non responsive", based on O&M's perception that TEMES was not acting in good faith under the General Terms and Conditions. The bid evaluation committee reviewed all three bids submitted and determined that all bidders were technically qualified. When the sealed bid proposals were reviewed, the bid evaluation committee determined that the TEMES price proposal was responsive and complied with all the requirements requested by Guam Power Authority in the bid package. GPA reviewed the bid packages and provided a notice of intent to award to the lowest responsible and **responsive** bidder. A responsive bidder is a person who has submitted a bid which conforms in all material respects to the Invitation for Bids. 5 GCA

§5201(g) and 2 GAR, Div. 4, Chap. 3, §3109(n)(2). Further, any bidder's offering which does not meet the acceptability requirements shall be rejected as non-responsive. 2 GAR, Div. 4, Chap. 3, §3109(n)(3)(c).

2. GPA-013-07 is a multi-step bid process in which GPA qualified all bidders first on whether the bidders met the technical specifications. In this case, GPA was provided with sealed price proposals from all three bidders which were not opened by GPA until after completion of the technical review. The technical review committee qualified all three bidders, TEMES, Korea East West Power, and O&M Energy as technically qualified under the multi-step process. On July 22, 2009, at 2:00 p.m., the sealed bid proposals of the three qualified bidders were opened in the presence of company representatives. The representatives were provided a copy of the Abstract of Bids which lists the Net Present Value (NPV) of the three bidders, a copy of which is attached hereto as Exhibit "A". TEMES had the highest 5 year NPV (\$9,394,142.33) followed by O&M (\$5,353,457.28), and then Korea East (\$4,939,222.46).

Here the intent to award was made to TEMES, as it was deemed to be the lowest, responsive and responsible bidder for these items. Their bid was responsive to the multi-step bid and complied with the specifications set forth in the multi-step bid. TEMES provided a responsive bid as required by GPA in its multi-step bid, and had the lowest price for the five year contract, as reflected in the highest net present value. The five year net present value for TEMES was calculated at \$9,394,142.33 and the net present value for the next highest bidder, O&M, was calculated at \$5,393,497.28, which represents a savings to GPA of approximately \$4 million dollars over five years. GPA can not speculate as to the differences in the bids submitted by the different bidders. Therefore, GPA hereby finds that there is no merit to O&M's claim that the

TEMES bid is irresponsible and non-responsive.

O&M Energy Union Fenosa is hereby ON NOTICE that this is the Guam Power Authority's final decision concerning O&M Energy Union Fenosa's September 18, 2009 bid protest for the above described multi-step bid. You are hereby advised that O&M Energy Union Fenosa has the right to seek judicial review.

Sincerely,

JOAQUIN C. FLORES, P.E. General Manager, Guam Power Authority

Exhibit "A"

INF SR B. W. Johnson Secretors TENES RICK CONTINGED
68/4 Fraues I Mark TRIMES BACK YORK CHELL PA Tison AGMINGSTRATIVE STATEMENT (Then speciment)



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 12, 2009

	MEM	ORANDUM	
	TO:		Attorney General, Department of Law
	FROM	M:	General Manager
	SUBJ	ECT:	Protest Letter
	RE:		Invitation for Re-Bid Multi-Step Bid No.: GPA-013-07 for Performance Management Contract (PMC) Cabras 1&2 Steam Power Plants
		npliance with Sector ded, we are forwa the following:	tion 9-101.03.4 of the Guam Procurement Regulations and Public Law 16-124, as arding a copy of a "Stay of Procurement" lift letter referenced above, and applies
į	[]	We are currently only.	reviewing the concerns and this transmittal is submitted for information purposes
[]	Please render ar	n opinion for guidance.
[]	The information	provided is as per your request.
[X]	Other: Informa	ation Purposes Only

JOAQUIN C. FLORES, P.E. General Manager

Jan EARCIPE 13 2000



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 12, 2009

TEMES, INC. 178 Cabras Highway Piti, Guam 96915

ATTENTION:

Mr. Tsun-Ren Ho

Branch Manager, Guam

SUBJECT:

Invitation for Re-Bid Multi-Step No.: GPA-013-07 for Performance

Management Contract (PMC) Cabras 1&2 Power Plants

REFERENCE:

"Stay of Procurement" dated September 22, 2009

Dear Mr. Ho:

Pursuant to the protest letter submitted by O&M Energy, S.A., you are hereby advised that GPA declares that their protest to be without merit.

The referenced "Stay of Procurement" has been lifted and we anticipate making an award relative to the subject Invitation for Bid.

This is my final determination. However, you have the right to seek judicial review within the confines of the law.

Respectfully,

OAQUIN C. FLORES, P.E.

General Manager

CC:

Attorney General

Office of the Public Auditor



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 12, 2009

Korea East-West Power Co., Ltd. 167, Samseong-Dong, Gangnam-Gu Seoul 135-791, Republic of Korea

ATTENTION:

Mr. Byung Won So

Deputy G.M. of Business Development Team

SUBJECT:

Invitation for Re-Bid Multi-Step No.: GPA-013-07 for Performance

Management Contract (PMC) Cabras 1&2 Power Plants

REFERENCE:

"Stay of Procurement" dated September 22, 2009

Dear Mr. So:

Pursuant to the protest letter submitted by O&M Energy, S.A., you are hereby advised that GPA declares that their protest to be without merit.

The referenced "Stay of Procurement" has been lifted and we anticipate making an award relative to the subject Invitation for Bid.

This is my final determination. However, you have the right to seek judicial review within the confines of the law.

Respectfully,

ØÂQŬĬŇ C. FLORES, P.E.

General Manager

cc:

Attorney General

Office of the Public Auditor

DENIAL OF PROCUREMENT PROTEST

October 7, 2009

Mr. Juan Rodriguez Martin de los Santos Business Development Manager O&M Energy, S.A. Parque Empresarial "La Finca" Paseo del Club Dejportive, 1 28223 Pozuelo de Alarcon Madrid Spain

RE: Guam Power Authority's Response to O&M Protest dated September 18, 2009, for GPA-013-07 (Re-Bid PMC Cabras 1&2 multi-step bid)

Dear Mr. Del los Santos:

I have reviewed your protest letter dated September 18, 2009, protesting Guam Power Authority's (GPA) Award of GPA-013-07 (Re-Bid PMC Cabras 1&2 multi-step bid) to Taiwan Electrical and Mechanical Engineering Services, Inc, and the rejection of our [O&M] bid for the abovementioned project due to low positive net present value.

1. There is no merit to your claim that the TEMES price proposal was "irresponsible and non responsive", based on O&M's perception that TEMES was not acting in good faith under the General Terms and Conditions. The bid evaluation committee reviewed all three bids submitted and determined that all bidders were technically qualified. When the sealed bid proposals were reviewed, the bid evaluation committee determined that the TEMES price proposal was responsive and complied with all the requirements requested by Guam Power Authority in the bid package. GPA reviewed the bid packages and provided a notice of intent to award to the lowest responsible and **responsive** bidder. A responsive bidder is a person who has submitted a bid which conforms in all material respects to the Invitation for Bids. 5 GCA

§5201(g) and 2 GAR, Div. 4, Chap. 3, §3109(n)(2). Further, any bidder's offering which does not meet the acceptability requirements shall be rejected as non-responsive. 2 GAR, Div. 4, Chap. 3, §3109(n)(3)(c).

2. GPA-013-07 is a multi-step bid process in which GPA qualified all bidders first on whether the bidders met the technical specifications. In this case, GPA was provided with sealed price proposals from all three bidders which were not opened by GPA until after completion of the technical review. The technical review committee qualified all three bidders, TEMES, Korea East West Power, and O&M Energy as technically qualified under the multi-step process. On July 22, 2009, at 2:00 p.m., the sealed bid proposals of the three qualified bidders were opened in the presence of company representatives. The representatives were provided a copy of the Abstract of Bids which lists the Net Present Value (NPV) of the three bidders, a copy of which is attached hereto as Exhibit "A". TEMES had the highest 5 year NPV (\$9,394,142.33) followed by O&M (\$5,353,457.28), and then Korea East (\$4,939,222.46).

.Here the intent to award was made to TEMES, as it was deemed to be the lowest, responsive and responsible bidder for these items. Their bid was responsive to the multi-step bid and complied with the specifications set forth in the multi-step bid. TEMES provided a responsive bid as required by GPA in its multi-step bid, and had the lowest price for the five year contract, as reflected in the highest net present value. The five year net present value for TEMES was calculated at \$9,394,142.33 and the net present value for the next highest bidder, O&M, was calculated at \$5,393,497.28, which represents a savings to GPA of approximately \$4 million dollars over five years. GPA can not speculate as to the differences in the bids submitted by the different bidders. Therefore, GPA hereby finds that there is no merit to O&M's claim that the

TEMES bid is irresponsible and non-responsive.

O&M Energy Union Fenosa is hereby ON NOTICE that this is the Guam Power Authority's final decision concerning O&M Energy Union Fenosa's September 18, 2009 bid protest for the above described multi-step bid. You are hereby advised that O&M Energy Union Fenosa has the right to seek judicial review.

Sincerely,

JOAQUIN C. FLORES, P.E.
General Manager, Guam Power Authority

Exhibit "A"

No. 30 PERSONS PRESENT AT THE BID OPENING AND WHOM THEY REPRESENT (It is not receivery to fill in this portion if data is received disturbert)

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ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 12, 2009

Korea East-West Power Co., Ltd. 167, Samseong-Dong, Gangnam-Gu Seoul 135-791, Republic of Korea

ATTENTION:

Mr. Byung Won So

Deputy G.M. of Business Development Team

SUBJECT:

Invitation for Re-Bid Multi-Step No.: GPA-013-07 for Performance

Management Contract (PMC) Cabras 1&2 Power Plants

REFERENCE:

"Stay of Procurement" dated September 22, 2009

Dear Mr. So:

Pursuant to the protest letter submitted by O&M Energy, S.A., you are hereby advised that GPA declares that their protest to be without merit.

The referenced "Stay of Procurement" has been lifted and we anticipate making an award relative to the subject Invitation for Bid.

This is my final determination. However, you have the right to seek judicial review within the confines of the law.

Respectfully,

DAQUÍN C. FLORES, P.E.

General Manager

CC:

Attorney General
Office of the Public Auditor



ATURIDÅT ILEKTRESEDÅT GUAHAN P.O. BOX 2977 HAGATNA, GUAM U.S.A. 96932-2977

October 12, 2009

TEMES, INC. 178 Cabras Highway Piti, Guam 96915

ATTENTION:

Mr. Tsun-Ren Ho

Branch Manager, Guam

SUBJECT:

Invitation for Re-Bid Multi-Step No.: GPA-013-07 for Performance

Management Contract (PMC) Cabras 1&2 Power Plants

REFERENCE:

"Stay of Procurement" dated September 22, 2009

Dear Mr. Ho:

Pursuant to the protest letter submitted by O&M Energy, S.A., you are hereby advised that GPA declares that their protest to be without merit.

The referenced "Stay of Procurement" has been lifted and we anticipate making an award relative to the subject Invitation for Bid.

This is my final determination. However, you have the right to seek judicial review within the confines of the law.

Respectfully.

KÓAQUIN C. FLORES, P.E.

General Manager

CC:

Attorney General

Office of the Public Auditor

DENIAL OF PROCUREMENT PROTEST

October 7, 2009

Mr. Juan Rodriguez Martin de los Santos Business Development Manager O&M Energy, S.A. Parque Empresarial "La Finca" Paseo del Club Dejportive, 1 28223 Pozuelo de Alarcon Madrid Spain

RE: Guam Power Authority's Response to O&M Protest dated September 18, 2009, for GPA-013-07 (Re-Bid PMC Cabras 1&2 multi-step bid)

Dear Mr. Del los Santos:

I have reviewed your protest letter dated September 18, 2009, protesting Guam Power Authority's (GPA) Award of GPA-013-07 (Re-Bid PMC Cabras 1&2 multi-step bid) to Taiwan Electrical and Mechanical Engineering Services, Inc, and the rejection of our [O&M] bid for the abovementioned project due to low positive net present value.

1. There is no merit to your claim that the TEMES price proposal was "irresponsible and non responsive", based on O&M's perception that TEMES was not acting in good faith under the General Terms and Conditions. The bid evaluation committee reviewed all three bids submitted and determined that all bidders were technically qualified. When the sealed bid proposals were reviewed, the bid evaluation committee determined that the TEMES price proposal was responsive and complied with all the requirements requested by Guam Power Authority in the bid package. GPA reviewed the bid packages and provided a notice of intent to award to the lowest responsible and **responsive** bidder. A responsive bidder is a person who has submitted a bid which conforms in all material respects to the Invitation for Bids. 5 GCA

§5201(g) and 2 GAR, Div. 4, Chap. 3, §3109(n)(2). Further, any bidder's offering which does not meet the acceptability requirements shall be rejected as non-responsive. 2 GAR, Div. 4, Chap. 3, §3109(n)(3)(c).

2. GPA-013-07 is a multi-step bid process in which GPA qualified all bidders first on whether the bidders met the technical specifications. In this case, GPA was provided with sealed price proposals from all three bidders which were not opened by GPA until after completion of the technical review. The technical review committee qualified all three bidders, TEMES, Korea East West Power, and O&M Energy as technically qualified under the multi-step process. On July 22, 2009, at 2:00 p.m., the sealed bid proposals of the three qualified bidders were opened in the presence of company representatives. The representatives were provided a copy of the Abstract of Bids which lists the Net Present Value (NPV) of the three bidders, a copy of which is attached hereto as Exhibit "A". TEMES had the highest 5 year NPV (\$9,394,142.33) followed by O&M (\$5,353,457.28), and then Korea East (\$4,939,222.46).

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TEMES bid is irresponsible and non-responsive.

O&M Energy Union Fenosa is hereby ON NOTICE that this is the Guam Power Authority's final decision concerning O&M Energy Union Fenosa's September 18, 2009 bid protest for the above described multi-step bid. You are hereby advised that O&M Energy Union Fenosa has the right to seek judicial review.

Sincerely,

JOAQUIN C. FLORES, P.E.
General Manager, Guam Power Authority

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Exhibit "A"

C OF PERSONS PRESENT AT THE BID OPENING AND WHOM THEY REPRESENT (It is and modernty to fill in this portion if data is recorded described)

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DENIAL OF PROCUREMENT PROTEST

October 7, 2009

Mr. Juan Rodriguez Martin de los Santos Business Development Manager O&M Energy, S.A. Parque Empresarial "La Finca" Paseo del Club Dejportive, 1 28223 Pozuelo de Alarcon Madrid Spain

RE: Guam Power Authority's Response to O&M Protest dated September 18, 2009, for GPA-013-07 (Re-Bid PMC Cabras 1&2 multi-step bid)

Dear Mr. Del los Santos:

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TEMES bid is irresponsible and non-responsive.

O&M Energy Union Fenosa is hereby ON NOTICE that this is the Guam Power

Authority's final decision concerning O&M Energy Union Fenosa's September 18, 2009 bid

protest for the above described multi-step bid. You are hereby advised that O&M Energy Union

Fenosa has the right to seek judicial review.

Sincerely,

BJOAQUIN C. FLORES, P.E.

General Manager, Guam Power Authority

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