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I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN
2008 (SECOND) Regular Session

Bill No. 269 (EO)

Introduced by:

Committee on Calendar
*By request of I Magaflahen
Guåhan in accordance with
the Organic Act of Guam*

**AN ACT TO AMEND CERTAIN PROVISIONS OF
CHAPTER 58 OF TITLE 5 OF THE GUAM CODE
ANNOTATED, RELATIVE TO THE FINANCING
AND CONSTRUCTION OF EDUCATION
FACILITIES.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that
3 pursuant to the Public Safety Facilities Construction Initiative Act of 2005, the government of
4 Guam executed a municipal lease to construct four new schools and convert an elementary
5 school to a middle school. The construction of the schools is nearing completion and could open
6 for the 2008-2009 school year.

7 *I Liheslaturan Guåhan* further finds that the budget for the Guam Public School System
8 ("GPSS") does not include the necessary appropriation to procure collateral equipment for the
9 schools. GPSS is seeking assistance to fund this equipment in order for the schools to be ready
10 to open for the 2008-2009 school year. Notwithstanding the government's procurement process,
11 *I Liheslaturan Guåhan* finds that it is estimated to take approximately 20 weeks to order and
12 deliver the collateral material.

1 In order to assist GPSS, *I Maga'lahaen Guåhan* has committed an additional One Million
2 Dollars of Guam's allocation of Compact Impact Funds for approximately six years to secure the
3 purchase of this equipment. In order for the government to avail itself of this option, the current
4 legislative authorization has to be amended to allow the government through its Contractor to
5 arrange for financing and procuring of the equipment.

6 **Section 2.** Subsection (g) of Section 58103 of Chapter 58 of Title 5 of the Guam
7 Code Annotated is hereby amended to read as follows:

8 (g) '*Lease-Back*' shall mean the ~~period of the term of the~~ facilities lease
9 or other lease of the property from between the Contractor back to and the
10 Education Agency, over the term of which ~~period~~ the costs of the design,
11 construction, financing and maintenance of an Education Facility are amortized
12 according to the terms agreed to between the government of Guam and the
13 Contractor.

14 **Section 3.** The second paragraph of Section 58104 of Chapter 58 of Title 5 of the
15 Guam Code Annotated is hereby amended to read as follows:

16 Any lease of property pursuant to this Act will be for a period mutually
17 agreed upon between the Education Agency and the Contractor as may be
18 reasonably necessary to amortize over the Lease-Back period of the Contract, the
19 costs associated with the financing, design, construction and maintenance of the
20 Education Facility, and in no event shall such period ~~be less than twenty (20)~~
21 ~~years, or~~ exceed thirty (30) years from the date of commencement of the Lease-
22 Back period.

1 **Section 4.** The following provisions are hereby added at the end of Section 58105 of
2 Chapter 58 of Title 5 of the Guam Code Annotated:

3 Notwithstanding the foregoing, in connection with any amendments to an
4 existing Lease or Lease-Back, the Contractor with respect to such amendments
5 shall be the Contractor with respect to the existing Lease or Lease-Back.

6 **Section 5.** Section 58110 of Chapter 58 of Title 5 of the Guam Code Annotated is
7 hereby amended to read as follows:

8 **§58110. Contractor Responsible for Capital Maintenance.** The
9 Contract with the Contractor, and the Lease-Back, shall provide that all capital
10 maintenance and repair of the Education Facility be performed by the Contractor
11 as a separate cost; provided, however, that said documents may, at the
12 discretion of the Education Agency, provide that capital maintenance and
13 repair with respect to equipment (including collateral equipment), onsite
14 utility construction, offsite utility connections, access roads, and other similar
15 improvements to the Education Facility need not be performed by the
16 Contractor. The terms by which the Contractor is to perform such capital
17 maintenance shall be determined as a part of the bid process and shall be part of
18 the conditions of the Contract. The Contract shall provide initial funding for the
19 first five (5) years after the completion of the Educational Facility.