



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

MAY 05 1998

The Honorable Antonio R. Unpingco  
Speaker  
Mina'Bente Kuattro na Liheslaturan Guåhan  
Twenty-Fourth Guam Legislature  
Guam Legislature Temporary Building  
155 Hesler Street  
Hagåtña, Guam 96910


Refer to  
Legislative Secretary

Dear Speaker Unpingco:

Enclosed please find Substitute Bill No. 512 (COR), "AN ACT AUTHORIZING THE MAYORS' COUNCIL TO PURCHASE EQUIPMENT, SUPPLIES AND SERVICES NOT TO EXCEED FIVE HUNDRED DOLLARS (\$500.00) WITHOUT COMPLYING WITH NORMAL GOVERNMENT PROCUREMENT PROCEDURES.", which I have signed into law today as **Public Law No. 24-184**.

The mayors of our villages are on the front line of many emergencies and situations which need quick response. The procurement laws of Guam are burdensome and do not allow for small amounts of money needed immediately. Substitute Bill No. 512 solves some of these problems by allowing our mayors to use telephonic quotes to purchase items under \$1,000, and to use up to \$500 for purchases without the need of going through procurement laws. This is analogous to the use of \$500 from a petty cash fund for unanticipated needs, as is done in most businesses.

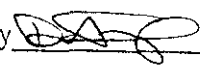
Very truly yours,


  
Carl T. C. Gutierrez  
I Maga'láhen Guåhan  
Governor of Guam

00783

Attachment: copy attached for signed bill  
original attached for vetoed bill

cc: The Honorable Joanne M. S. Brown  
Legislative Secretary

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	
Time	3:25pm
Date	5.5.98

Office of the Speaker  
ANTONIO R. UNPINGCO  
Date: ~~04-25-98~~ 5/05/98  
Time: 1:25pm  
Rec'd by:   
Print Name: \_\_\_\_\_



OFFICE OF THE GOVERNOR  
TERRITORY OF GUAM

**MAY 05 1998**

The Honorable Antonio R. Unpingco  
Speaker  
Mina'Bente Kuáttro na Liheslaturan Guåhan  
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Guam Legislature Temporary Building  
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Very truly yours,

Tamina Espaldon Ramos  
I Maga'lahen Guåhan  
Governor of Guam

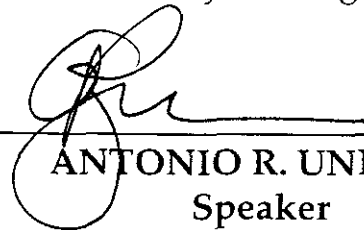
Attachment:      copy attached for signed bill  
                         original attached for vetoed bill

cc:    The Honorable Joanne M. S. Brown  
       Legislative Secretary


MINA BENTE KUATTRO NA LIHESLATURAN GUAHAN  
1998 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN


This is to certify that Substitute Bill No. 512 (COR), "AN ACT AUTHORIZING THE MAYORS' COUNCIL TO PURCHASE EQUIPMENT, SUPPLIES AND SERVICES NOT TO EXCEED FIVE HUNDRED DOLLARS (\$500.00) WITHOUT COMPLYING WITH NORMAL GOVERNMENT PROCUREMENT PROCEDURES," was on the 27<sup>th</sup> day of April, 1998, duly and regularly passed.

  
ANTONIO R. UNPINGCO  
Speaker

Attested:

  
JOANNE M.S. BROWN  
Senator and Legislative Secretary

-----  
This Act was received by *I Maga'lahen Guahan* this 29<sup>th</sup> day of April, 1998,  
at 12:15 o'clock P.M.

  
Assistant Staff Officer  
Governor's Office

APPROVED:

  
CARL T. C. GUTIERREZ  
*I Maga'lahen Guahan*

Date: 5-5-98

Public Law No. 24-184


MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN  
1998 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN


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at 12:15 o'clock P.M.

  
Assistant Staff Officer  
Governor's Office

APPROVED:

  
TAMINA E. RAMOS  
*I Maga'lahen Guahan*

Date: 05/05/98

Public Law No. 24-184

**MINA' BENTE KUATTRO NA LIHESLATURAN GUAHAN  
1998 (SECOND) Regular Session**

**Bill No. 512 (COR)**

As substituted by the Committee on Power,  
Foreign Affairs and General Government Services  
and amended on the Floor.

Introduced by:

A. C. Blaz  
Felix P. Camacho  
T. C. Ada  
F. B. Aguon, Jr.  
J. M.S. Brown  
Francisco P. Camacho  
M. C. Charfauros  
E. J. Cruz  
W. B.S.M. Flores  
Mark Forbes  
L. F. Kasperbauer  
A. C. Lamorena, V  
C. A. Leon Guerrero  
L. Leon Guerrero  
V. C. Pangelinan  
J. C. Salas  
A. L.G. Santos  
F. E. Santos  
A. R. Unpingco  
J. Won Pat-Borja

**AN ACT AUTHORIZING THE MAYORS'  
COUNCIL TO PURCHASE EQUIPMENT,  
SUPPLIES AND SERVICES NOT TO EXCEED FIVE  
HUNDRED DOLLARS (\$500.00) WITHOUT**

**COMPLYING WITH NORMAL GOVERNMENT  
PROCUREMENT PROCEDURES.**

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

2           **Section 1. Legislative Findings.** *I Liheslaturan Guahan* finds that the  
3 Mayors are the first line government officials the people of Guam look to for  
4 services and assistance and, in many instances, their needs are of an  
5 immediate nature that require instant solution. However, the procurement  
6 procedures of the government of Guam sometimes do not provide the  
7 flexibility to respond to immediate needs of the people they serve, placing the  
8 Mayors in a very difficult situation of being forced to procure needed supplies  
9 or services at their own expense, or by circumventing the procurement  
10 procedures of the government of Guam or follow the procedures and fail to  
11 respond to an immediate need. In this respect, *I Liheslaturan Guahan* intends  
12 to correct this difficult situation by specifically exempting the Mayors' Council  
13 from the procurement procedures of the government of Guam for purchases  
14 of Five Hundred Dollars (\$500.00) or less.

15           **Section 2.** Section 11 of Chapter IV of Public Law Number 24-59, as re-  
16 enacted by Section 16 of Public Law Number 24-143, is hereby repealed and  
17 re-enacted to read as follows:

18           **"Direct Purchase.**       The Mayors' Council is hereby authorized  
19 to purchase equipment, supplies and services not to exceed One  
20 Thousand Dollars (\$1,000.00) per purchase, provided the Mayors'  
21 Council solicits a minimum of three (3) informal written or telephonic  
22 quotations from vendors able to supply the equipment, supplies or

1 services sought provided; however, for purchases under Five Hundred  
2 Dollars (\$500.00), the Mayors' Council is authorized to procure  
3 equipment, supplies or services without the necessity of going through  
4 the normal government procurement procedures. Mayors shall ensure  
5 that none of the purchases under this Section shall be artificially divided  
6 to meet the requirements of this Section. Any violation by any Mayor  
7 shall cause that Mayor to lose the right to purchase under this Section.  
8 A determination of whether a violation of this Section occurred will be  
9 made by the Chief Procurement Officer of the government of Guam's  
10 General Services Agency."

24-184



GUAM LEGISLATURE

Senator Felix P. Camacho

Power, Foreign Affairs and General Government Services

472 3505-6

472 9747

April 20, 1998

The Honorable Antonio R. Unpingco  
Speaker  
Twenty-Fourth Guam Legislature  
155 Hesler Street  
Agaña, Guam 96910

via: Committee on Rules

Dear Mr. Speaker:

The Committee on Power, Foreign Affairs & General Government Services, to which was referred **BILL NO. 512 (COR)**, "An act Authorizing the Mayors' Council to Purchase Supplies and Services Not to Exceed Five Hundred (\$500.00) Without the Necessity of Going Through Normal Government Procurement Procedures", does hereby report back with the recommendation **TO DO PASS AS SUBSTITUTED BY THE COMMITTEE.**

**SUBSTITUTE BILL NO. 512 (COR):** "An Act Authorizing the Mayors' Council to Purchase Equipment, Supplies and Services Not to Exceed Five Hundred (\$500.00) Without the Necessity of Going Through Normal Government Procurement Procedures."

Votes of Committee Members are as follows:

<u>8</u>	To Pass
_____	Not To Pass
_____	To The Inactive File
_____	Abstained
_____	Off-Island
<u>7</u>	Not Available

Sincerely,

SENATOR FELIX P. CAMACHO

Attachments



**COMMITTEE ON POWER, FOREIGN AFFAIRS  
& GENERAL GOVERNMENT SERVICES  
TWENTY-FOURTH GUAM LEGISLATURE  
155 Hesler Street, Agana, Guam 96910**

Chairman: Senator Felix P. Camacho    Vice Chairman: Senator Lawrence F. Kasperbauer  
Ex-Officio Member: Speaker Antonio R. Unpingco

**VOTING SHEET ON:**

**SUBSTITUTE BILL NO. 512 (COR), “An Act Authorizing the Mayors’ Council to Purchase Equipment, Supplies and Services Not to Exceed Five Hundred (\$500.00) Without the Necessity of Going Through Normal Government Procurement Procedures.”**

(AS INTRODUCED: BILL NO. 512 (COR), “An Act Authorizing the Mayors’ Council to Purchase Supplies and Services Not to Exceed Five Hundred (\$500.00) Without the Necessity of Going Through Normal Government Procurement Procedures.”

<u>COMMITTEE MEMBERS</u>	<u>INITIAL</u>	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>ABSTAIN</u>	<u>TO PLACE IN INACTIVE FILE</u>
Sen. Felix P. Camacho	<i>J</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Lawrence F. Kasperbauer	<i>LFK</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Thomas C. Ada		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Frank B. Aguon, Jr.	<i>FBA</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Elizabeth Barrett-Anderson		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Francisco P. Camacho		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Mark C. Charfauros	<i>mc</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Edwardo J. Cruz, MD	<i>EJC</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. William B. S.M. Flores	<i>WF</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Carlotta A. Leon Guerrero		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sen. Alberto A.C. Lamorena V

Sen. Vicente C. Pangelinan

Sen. Angel L.G. Santos

Sen. Francis E. Santos

Sen. Judith Won Pat-Borja

<i>V</i>	✓			
<i>JB</i>	✓			

COMMITTEE ON POWER, FOREIGN AFFAIRS  
& GENERAL GOVERNMENT SERVICES  
TWENTY-FOURTH GUAM LEGISLATURE  
155 Hesler Street, Hagåtña, Guam 96910

COMMITTEE REPORT

ON

BILL NO. 512(COR)

“An Act Authorizing the Mayors’ Council to Purchase Equipment, Supplies and Services Not to Exceed Five Hundred (\$500.00) Without the Necessity of Going Through Normal Government Procurement Procedures.”

COMMITTEE MEMBERS

Chairman: Felix P. Camacho

Vice Chairman: Senator Lawrence F. Kasperbauer

Ex-Officio Member: Antonio R. Unpingco

Thomas C. Ada  
Mark C. Charfauros  
William B. S. M. Flores  
Carlotta A. Leon Guerrero  
Angel L. G. Santos

Francisco P. Camacho  
Eduardo J. Cruz, MD  
Alberto A. C. Lamorena V  
Vicente C. Pangelinan  
Francis E. Santos

COMMITTEE REPORT  
POWER, FOREIGN AFFAIRS & GENERAL GOVERNMENT SERVICES

**BILL NO. 512**

“An Act Authorizing the Mayors’ Council to Purchase Equipment, Supplies and Services Not to Exceed Five Hundred (\$500.00) Without the Necessity of Going Through Normal Government Procurement Procedures.”

**I. PUBLIC HEARING**

The Committee on Power, Foreign Affairs & Government Services (CPFA&GGS) held a public hearing on Tuesday, April 14, 1998 at 9:00 a.m. to hear testimony on Bill No. 512(COR), “An Act Authorizing the Mayors’ Council to Purchase Equipment, Supplies and Services Not to Exceed (\$500.00) Without the Necessity of Going Through Normal Government Procedures.”

The hearing was called to order by Senator Felix P. Camacho, Chairman of CPFA&GGS. Members present included Senators A. C. Lamorena V, Vicente C. Pangelinan and Francisco P. Camacho with Senator Frank B. Aguon, Jr. as guest.

Present to testify were: Mr. Lorenzo C. Aflague, Chief Procurement Officer, General Services Agency representing Mr. Michael Reidy, Director of the Department of Administration; Dededo Mayor Jose A. Rivera and Mr. Frank J. C. Camacho, Executive Director, both representing the Mayors’ Council.

**II. BACKGROUND**

The Mayors’ Council has been appealing consistently and urgently for the Guam Legislature to grant the Council procurement flexibility in view of their limited staff and time sensitive needs to better serve their constituency.

Specifically, the request entails allowing as well three (3) telephonic quotations from vendors for procurement of equipment, supplies or services not to exceed One Thousand Dollars (\$1,000.00) and authorizing a waiver of normal procurement procedures for equipment and services in addition to supplies valued under Five Hundred Dollars (\$500.00).

Necessary legislation in the form of Bill 512(COR) must repeal Section 11 of Chapter IV of Public Law No. 24-59 as re-enacted by Section 16 of Public Law No. 24-143.

**III. TESTIMONY**

**Mr. Lorenzo Aflague**, Chief Procurement Officer, General Services Agency, representing Mr. Michael Reidy, Director of the Department of Administration, provided brief written testimony against the Bill. He indicated the proposed procurement provisions were not necessary and that

flexibility can be still realized under current law. He recommended changes which were already included in a substitute version of the Bill if it were to be passed.

**Mayor Joe Rivera** explained the purpose of the Bill as noted earlier under Item II of this report and described the problems experienced by the Mayors' Council with ineffective and seriously slow procurement actions. He emphasized the need for flexibility and better capacity to procure much needed equipment, supplies and services at the village level where the needs for services are immediate and direct with constituents. He emphasized that because of limited staffing and other resources, the capacity for timely procurement processing is essential. The Mayors' Council strongly support the passage of Bill No. 512(COR) as substituted.

**Mr. Frank Camacho**, Executive Director of the Mayors' Council, basically reiterated the points made by Mayor Rivera and cited specifically the need to allow telephonic quotations as well as written and to include equipment and services with supplies on the waiver for items valued under five hundred dollars (\$500.00).

#### **IV. FINDINGS**

The Committee finds that Bill 512(COR) as originally introduced is in need of technical changes based on testimonies and therefore has developed substitute Bill 512(COR).

#### **V. RECOMMENDATION**

The Committee on Power, Foreign Affairs & General Government Services hereby reports out Bill No. 512(COR), as substituted by the Committee with the recommendation ***TO DO PASS***.