DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT

www.gdoe.net
500 Mariner Avenue
Barrigada, Guam 96913
Telephone: (671) 300-1547/1536•Fax: (671)472-5001
Email: jonfernandez@gdoe.net

JON J. P. FERNANDEZ
Superintendent of Education

GL# 34-18-1920
Speaker Benjamin J.F. Cruz

May 24, 2018

MAY 24 2018
Time: 3:20 [ ] AM [ ] PM File No. 34-1965
Received By:

Ms. Fe Valencia-Ovalles
Chairwoman
Guahan Academy Charter School
P.O. Box CS
Hagatna, Guam 96932

Re: Guahan Academy Charter School: April 2018 (Special #4) Allotment Request – New Meals Vendor

Hafa Adai Chairwoman Valencia-Ovalles,

On May 3, 2018, the Internal Audit Office (IAO) did not validate the Guahan Academy Charter School (GACS)'s April 2018 Special #4 Allotment Request of $50,173.75. This was the first time a set of invoices from GACS's new food services vendor was submitted to IAO. IAO's validation report stated that the procurement record provided was incomplete; and several areas of concern were noted relative to the method of source selection and compliance to Guam Procurement Law and Regulations. Specifically:

1. Not all criteria in the Request for Proposal were used as evaluation factors (Title 5 of the Guam Code Annotated (GCA) §5216(e) and Title 2 of the Guam Administrative Rules and Regulations (GAR), Division 4, §3114(j));
2. Price was included in the evaluation (2 GAR, Div. 4, §3114(k)); and
3. There was no record of negotiations with the best qualified offeror (2 GAR, Div. 4, §3114(l)(1)).

2018 MAY 24 PM 4:14

IAO also e-mailed a detailed list of the deficiencies to GACS on May 11, 2018 with reference to the relevant statutory requirements for this procurement. Please refer to the attached.

In light of the validation report and e-mail correspondence, there has been no communications from GACS relative to the status of the procurement record or any actions taken to remedy these deficiencies. Therefore, IAO is unable to validate the invoices from GACS's new food services vendor. Please advise my office if you have any further questions or concerns regarding this matter.

Sincerely,

JON J.P. FERNANDEZ

Attachments (1) IAO Validation Report and (2) E-mail Notice of Deficiencies

Cc: Chairman and Members, Guam Education Board
Speaker, 34th Guam Legislature
Chairwoman, Guam Academy Charter Schools Council

1920

Appendix 1: IAO Validation Report

DEPARTMENT OF EDUCATION
OFFICE OF THE SUPERINTENDENT

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Speaker Benjamin J.F.

JON J.P. FERNANDEZ
Superintendent of Education

MAY 04 2019
Time: 8:32 AM PM File No. 34-1881
Received By

RECEIVED
MAY 03 2018
DEPT OF ADMINISTRATION
DIRECTOR'S OFFICE

GUAHAN ACADEMY
Received by: Colin D. P.
Date: 5/4/18 Time: 9:07 a.m.

May 3, 2018

Mr. Edward Birn
Acting Director
Department of Administration
P.O. Box 884
Hagatña, Guam 96932

Re: Guahan Academy Charter School: FY 2018 April 2018 (Special #4) Allotment Request

Hafa Adai,

Upon review of the Guahan Academy Charter School Fiscal Year 2018 April 2018 (Special #4) Allotment Request by our Internal Audit Office in collaboration with members of the Guahan Academy Charter School Incorporated, I am unable to submit my verification of accuracy as required by Public Law 34-42, Chapter II, Section 3 in its entirety.

Our Internal Audit Office was able to validate $0 of the invoiced total. Please see the attached verification report. This validation is based on actual invoices submitted to our Internal Audit Office on April 25, 2018.

Please advise my office if you have any further questions or concerns regarding this matter.

Sincerely,

Jon J.P. Fernandez
Superintendent of Education

Attachment

Cc: Chairman and Members, Guam Education Board
Speaker, 34th Guam Legislature
Guahan Academy Charter School

RECEIVED
MAY 04 2019
GUAM EDUCATION BOARD
TIME
INITIAL

JON J.P. FERNANDEZ
Superintendent of Education

DEPARTMENT OF EDUCATION
INTERNAL AUDIT OFFICE

500 Mariner Avenue, Barrigada, Guam 96913
Telephone: (671) 300-1336
Fax: (671) 472-5001
Email: iao@gdoe.net

FRANKLIN COOPER-NURSE
Chief Internal Auditor

May 3, 2018

MEMORANDUM

TO: Jon J.P. Fernandez, Superintendent of Education

CC: Taling M. Taitano, Deputy Superintendent of Finance and Administrative Services

FROM: Franklin J.T. Cooper-Nurse, Chief Auditor, Internal Audit Office

SUBJECT: April 2018 Review of Guahan Academy Charter School Inc.'s Invoices

Hafa Adai,

The Guam Department of Education (GDOE) Internal Audit Office (IAO) has completed its review of Guahan Academy Charter School (GACS)'s Special #4 allotment request for April 2018. GDOE (IAO) is authorized by Public Law (PL) 34-42 to verify charter school invoices for accuracy and report its findings within 10 days.

On April 25, 2018, IAO received the Department of Administration's transmittal for GACS's April 2018 Special #4 Allotment Request of $50,173.75. GACS submitted invoices and the procurement record for their new school meals vendor. The procurement record provided was incomplete; and several areas of concern were noted relative to the method of source selection and compliance to Guam Procurement Law and regulations (e.g. Title 5 of the Guam Code Annotated §§5211(b), and Title 2 of the Guam Administrative Rules and Regulations, Division 4 §§3109(f)(2)).

Table 1: April 2018 Allotment Request Invoices (Special #4)

	A	B	C	(B-C) = D
Object Class	GACS Drawdown	Submitted Invoices	IAO's Validation	Difference
Contractual	$ 50,173.75	$ 50,173.75	$ -	$ 50,173.75
TOTAL	$ 50,173.75	$ 50,173.75	$ -	$ 50,173.75

PL 34-42 provides $6,500 for each student up to 740 students or a total of $4,810,000. However, due to revenue shortfalls from tax cuts, GACS's Fiscal Year (FY) 2018 appropriations were

reduced by $416,719[1] for a revised appropriation of $4,393,281. For FY 2018, IAO validated $2,481,437.13 of expenditures, leaving a balance of $1,911,843.87 of unexpended funds. As of April 23, 2018, 890 students were enrolled in GACS. See Tables 2 and 3.

Table 2: FY 2018 Validation Summary

Month	A GACS Disbursements	B Submitted Invoices	C IAO's Validation	(B-C) or D Balance
Oct 2017 (Partial)	$ 223,949.48	$ 223,949.48	$ 223,949.48	$ -
Oct 2017 (Partial #2)	$ 181,025.77	$ 181,025.77	$ 116,189.14	$ 64,836.63
Nov 2017 (Partial)	$ 109,713.81	$ 109,713.78	$ 109,713.78	$ -
Nov 2017 (Partial #2)	$ 110,662.47	$ 110,662.47	$ 110,662.47	$ -
Dec 2017 (Partial)	$ 125,065.99	$ 125,065.99	$ 125,065.99	$ -
Dec 2017 (Partial #2)	$ 113,142.58	$ 113,142.58	$ 105,782.74	$ 7,359.84
Dec 2017 (Partial #3)	$ 468,515.60	$ 468,515.60	$ -	$ 468,515.60
Dec 2017 (Partial #4)	$ 179,258.25	$ 179,258.25	$ 179,258.25	$ -
Jan 2018 (Partial #1)	$ 146,654.61	$ 146,654.61	$ 122,064.36	$ 24,590.25
Dec 2017 (Final)	$ 182,255.86	$ 182,255.56	$ 178,264.76	$ 3,990.80
Jan 2018 (Partial #2)	$ 350,000.00	$ 350,000.00	$ -	$ 350,000.00
Jan 2018 (Partial #3)	$ 107,998.48	$ 107,998.48	$ 107,998.48	$ -
Jan 2018 (Partial #4)	$ 206,542.11	$ 206,288.83	$ 206,079.23	$ 209.60
Feb 2018 (Partial #1)	$ 124,744.17	$ 124,744.17	$ 124,744.17	$ -
Feb 2018 (Partial #2)	$ 243,880.82	$ 243,880.82	$ 243,880.82	$ -
Mar 2018 (Partial #1)	$ 188,314.19	$ 188,314.19	$ 180,914.19	$ 7,400.00
Mar 2018 (Partial #2)	$ 142,191.57	$ 142,191.57	$ 142,191.57	$ -
Mar 2018 (Special #2)	$ 170,484.19	$ 170,484.19	$ -	$ 170,484.19
April 2018 (Partial #1)	$ 204,677.70	$ 204,677.70	$ 204,677.70	$ -
April 2018 (No. 3)	$ 104,800.00	$ 104,800.00	$ -	$ 104,800.00
April 2018 (Special #4)	$ 50,173.75	$ 50,173.75	$ -	$ 50,173.75
Total (FY 2018)	$ 3,579,877.63	$ 3,578,824.84	$ 2,481,437.13	$ 1,253,348.86

		GACS Max Budget	$ 4,810,000.00
		Less: Appropriations reduction	(416,719.00)
Funding Per Student	$ 6,500	Revised Budget	$ 4,393,281.00
Maximum Enrollment	740	Less: IAO's Validations	(2,481,437.13)
GACS Maximum Budget	$ 4,810,000	Remaining Funds	$ 1,911,843.87

Table 3: FY 2018 GACS Enrollment

Month	Grade Level														
	K	1	2	3	4	5	6	7	8	9	10	11	12	PK	Total
Oct-17	82	97	99	94	77	91	87	56	42	33	31	34	69	65	957
Nov-17	81	96	97	94	75	91	85	56	42	33	30	34	67	65	946
Dec-17	81	96	96	93	75	90	84	55	41	31	30	35	67	64	938
Jan-18	77	95	95	93	74	89	84	54	41	31	29	31	67	64	925
Feb-18	76	93	93	90	72	88	81	52	41	30	28	32	66	64	906
Mar-18	76	92	93	88	72	87	79	53	41	30	28	32	62	63	895
Apr-18	76	91	92	88	72	87	79	51	41	30	28	32	60	63	890
Average	78	94	95	91	74	89	83	54	41	31	29	33	65	64	922

Should you have any questions or concerns, please contact Leana Willess at 300-3697 or lmwilless@gdoe.net, and Franklin Cooper-Nurse at 300-1336 or fjtcooper-nurse@gdoe.net.

[1] Bureau of Budget and Management Research (2018, January 24). *FY 2018 general fund appropriation reductions-tax cuts and jobs act of 2017*

Appendix 1: GACS April 2018 (Special #4) Allotment Request Invoices

Object Code and Class	Reference	Vendor	Invoice #	Invoice Date	Invoice Amount	Validated	Validated Amount
230 Contractual	U-2.1	New Fresh Bread	GACS-0001	4/9/2018	$ 16,145.00		$ -
230 Contractual	U-2.2	New Fresh Bread	GACS-0002	4/13/2018	$ 17,968.75		
230 Contractual	U-2.3	New Fresh Bread	GACS-0003	4/20/2018	$ 16,060.00		
						Subtotal	$ -
						Total	$ -

Eddie Baza Calvo
Governor
Ray Tenorio
Lieutenant Governor

Department of Administration
(DIPATTAMENTON ATEMENSTRASION)
DIRECTOR'S OFFICE
(UFISINAN DIREKTOT)
Post Office Box 884 Hagatña, Guam 96932
Tel: (671) 475-1101/1250 Fax: (671) 477-6788

Edward Birn
Acting Director
Vincent P. Arriola
Deputy Director

April 24, 2018

Mr. Jon J.P. Fernandez
Superintendent
Guam Department of Education
500 Mariner Avenue
Barrigada, Guam 96913-1608

To IAO
4/25/18

RE: Guahan Academy Charter School – April 2018 New Meals Vendor Allotment Request (Special No#4)

Buenas yan Hafa Adai:

Pursuant to Public Law 33-42, Chapter II, Part I, we are submitting Guahan Academy Charter School's special allotment request for a new meal vendor for Fiscal Year 2018. Herewith are the supporting documents provided by Guahan Academy Charter School for your review and immediate action.

Should you have any further questions or concerns, please contact, Mary Grace Edrosa at 475-1283

Si Yu'os Maase!

Rec'd Date: 4/25/18 Time: 9:18 Am 8042803

Sensaramente,

Edward Birn
Acting Director

Attachments

GOVERNMENT OF GUAM
DEPARTMENT OF ADMINISTRATION
FINANCIAL MANAGEMENT SYSTEM

REQUEST FOR DIRECT PAYMENT

DOCUMENT NO.: _____

☒ URGENT - EXPEDITE PAYMENT ☐ KEY & RELEASE - A S A P

PAYEE:	VENDOR NUMBER:
Guahan Academy Charter School P.O. Box CS Hagatna, GU 96932	G0016588

PURPOSE:

April 2018 - Allotment Request (Special # 4)- New Fresh Bread Bakeshop

190	5639A179964GA201-290	$ 50,173.75	April 2018 - Allotment Request (Special # 4)- New Fresh Bread Bakeshop
	Total	$ 50,173.75	

CHECK APPROPRIATE BOX BELOW:

☒ ACCOUNT NUMBER IS CORRECT ☒ JOB ORDER NUMBER IS CORRECT ☐ INSUFFICIENT FUNDS

☒ PRIOR REFERENCE IS CORRECT ☒ VENDOR NUMBER IS CORRECT

☐ OVERRIDE IS AUTHORIZED ☐ SUFFICIENT FUNDS

☒ I CERTIFY THAT GOODS/SERVICES SPECIFIED HAVE BEEN RECEIVED AND THAT PAYMENT IS PROPER AS PER THE ATTACHED DOC

☐ I CERTIFY THAT A VALID LIABILITY EXIST BY REASON OF WITHHOLDING, OVERPAYMENT AND THAT PAYMENT IS PROPER AS PER T ATTACHED DOCUMENTS.

PREPARED BY:

	Signature	Date
APPROVING OFFICIAL:		
Bedatte Lacap, Senior Accountant FINANCE & PROCUREMENT COMMITTEE CERTIFICATION OF FUNDS AVAILABLE:		April 23, 2018
VICTOR A. PEREZ, COMMITTEE CHAIR FINANCE & PROCUREMENT COMMITTEE		April 23,2018

Department of Administration
Division of Accounts
APR 24 2018
Customer Service

GUAHAN ACADEMY CHARTER SCHOOL

PROCUREMENT/ALLOTMENT MEMORANDUM

GACS NO. 4-2018-004

RE: SPECIAL ALLOTMENT REQUEST FOR NEW MEALS VENDOR

Date: April 23, 2018

To: Mr. Franklin Cooper-Nurse, Chief Auditor
Internal Audit Office, Guam Department of Education

Re: No. 4 – Special Allotment Request for New Meals Vendor

Via: Ms. Bernadette Lacap, Accountant

Fr: Victor A. Perez, Chairman of Finance & Procurement Committee
Board of Trustees, Guahan Academy Charter School

I. **AUTHORITY:**

Board of Trustees: Finance and Procurement Committee Meeting
Date: November 7, 2017
Notice & Agenda: –New Business: the Issuance of a Request for Proposal for a New Meals Vendor: Exhibit 1
Meeting Notes (Minutes): Exhibit 2

II. **PROCUREMENT CHRONOLOGY:**

DATE	TRANSACTION	COMMENT
	Notice of Request for Proposal 12-2017-08 (website)	Exhibit 3
	Request for Proposal 12-2017-08 (website)	Exhibit 4
	Continuing Notice – Deadline: 1/29/17 (website)	Exhibit 5
1/29/17	Received Responses to RFP from: 1) Fresh Bread @ 2:32 P.M. 2) B&G @ 3:49 P.M.	
1/31/18	Appointment of Members to Evaluation Committee	Exhibit 6
2/2/18	Acceptance of Members to Serve on Evaluation Committee 1) Victor A. Perez, Chairman; 2) Fe Valencia-Ovalles; 3) Hentrick M. Eveluck; 4) Dr. Jacqui Cyrus; 5) Leah Duenas; and 6) 6) Al Erquiza	Exhibit 7 Exhibit 8 Exhibit 9 Exhibit 10 Exhibit 11 Exhibit 12

DATE	TRANSACTION	COMMENT
2/2/18	Opening of Proposals 1) New Fresh Bread – 1/29/18 @2:32 P.M. 2) B&G, LLC – 1/29/18 @3:49 P.M.	 Exhibit 13 Exhibit 14
2/3/18	Site Inspection of New Vendor (New Fresh Bread)	Exhibit 15
2/5/18	Continuing Review and Evaluation of Proposals 1) Victor A. Perez – Evaluation 2) Fe Valencia-Ovalles – Evaluation 3) Hentrick M. Eveluck – Evaluation 4) Dr. Jacqui Cyrus – Evaluation 5) Leah Duenas – Evaluation 6) Al Erquiza – Evaluation Proposed Rates: B&G, LLC: Breakfast $2.30, Lunch $4.75 or $4.90 New Fresh Bread: Breakfast $1.25, Lunch $4.25	 Exhibit 16 Exhibit 17 Exhibit 18 Exhibit 19 Exhibit 20 Exhibit 21
2/9/18 2/12/18	Vendor – Presentation of Certain Meals for Taste Testing 2:00 P.M. – New Fresh Bread 3:00 P.M. – Negotiated the 6-Cycle Menu 11:00 A.M. – B&G LLC	 Exhibit 22
2/27/18	Special Board Meeting 6:00 P.M. – Notice and Agenda Minutes	 Exhibit 23 Exhibit 24

DATE	TRANSACTION	COMMENT
2/28/18	Notice of Intent to Award to New Fresh Bread	Exhibit 25
2/28/18	Notice of Non-Award to B&G, LLC	Exhibit 26
3/12/18	Meeting with New Fresh Bread Bakeshop to negotiate the terms of a proposed contract. Vendor asked for time to prepare. CONTRACT START DATE: April 2, 2018 Present: GACS: Trustee Victor A. Perez, Evaluation Committee Chairman; Board Chairwoman, Fe Valencia-Ovalles; Board Secretary, Dr. Jacqui Cyrus; Food Services Coordinators: Liz Alvarez & Ana Nauta Internal Auditor; Al Erquiza Vendor: Zenaida Zantua, Owner and Proprietor Point of Contact; Maria Perlita Lauseano	
3/12/18	Letter to B&G, LLC regarding last week of service at GACS	Exhibit 27
4/2/18	Contract Signed between New Fresh Bread Bakeshop and GACS	Exhibit 28

III. ALLOTMENT REQUEST AMOUNT: $50,173.75

INVOICE	DATE OF INVOICE	INVOICE RECEIVED	MEALS SERVICE PERIOD	AMOUNT	TOTAL
GACS-0001	4/9/18	4/6/18	Week of April 2 – April 6, 2018	$16,145.00	Exhibit 29
GACS-0002	4/13/18	4/13/18	Week of April 9 – April 13, 2018	$17,968.75	Exhibit 30
GACS-0003	4/20/18	4/23/18	Week of April 16 – April 20, 2018	$16,060.00	Exhibit 31
					$50,173.75

If you should need additional information or documentation or have any questions, please feel free to contact our accountant, Ms. Bernadette Lacap. Thank you.

Cc: DOA Director
DOE Superintendent
Council Chairwoman, Amanda Blas

GUAHAN ACADEMY CHARTER SCHOOL

Allotment Summary

1018 - Allotment Request (Special # 4)- New Fresh Bread Bak

CLASSIFICATION	ACCOUNT CODE	TOTAL REQUESTED
PERSONNEL SALARIES	111	$ -
PERSONNEL BENEFITS	114	$ -
CONTRACTUAL	230	$ 50,173.75
MATERIALS & SUPPLIES	240	$ -
WORKMAN'S COMP & GEN LIAB	270	$ -
DRUG TESTING	271	$ -
MISCELLANEOUS	290	$ -
POWER	361	$ -
WATER	362	$ -
TELEPHONE & WIRELESS	363	$ -
[illegible]	[illegible]	[illegible]

Appendix 2: E-mail Notice of Deficiencies

From: Leana M. Willess <lmwilless@gdoe.net>
Sent: Friday, May 11, 2018 5:06 PM
Subject: Re: Following up on status
To: Leah Duenas <busofc.admin@guahanacademy.org>
Cc: Franklin J.T. Cooper-Nurse <fjtcooper-nurse@gdoe.net>, <blacap@guahanacademy.org>, Victor A. Perez <vaperez.gacsbot@gmail.com>

Hafa Adai Leah,

Several concerns were noted based on the procurement record submitted. The first concern is the method of source selection. The solicitation is referred to as a Request for Proposal (RFP), but was not conducted as such in accordance with the Guam Procurement Law and regulations. Other concerns include: (1) not all criteria listed in the RFP were used as evaluation factors [5 GCA §5216(e); 2 GAR § 3114(j)], (2) price was included in the evaluation [2 GAR §3114(k)], (3) no record of negotiations with the best qualified offeror [2 GAR § 3114(l)(1)], and (4) the procurement record was incomplete.

Below is a list of documentation not submitted with the April 2018 Special #4 Allotment Request.

1. Written determination of need [2 GAR §3114(c)(1)]
2. Affidavit / Clause relative to:
    a. Disclosure of major shareholders (5 GCA §5233)
    b. Prohibition against gratuities and kickbacks [5 GCA §5630(c)]
    c. Contingent fees [5 GCA §5631(c)]
    d. Ethical standards [5 GCA §11103(b)]
    e. Prohibition against sex offenders [5GCA §5253(c)]
    f. Wage and benefit determination [5 GCA §5211(b); §§ 5801 and 5802]
3. Evidence that a notice was published in a newspaper (required for contracts >$25k) [2 GAR §3109(f)(2)]
4. Log of RFP distribution
5. Amendment to RFP for the change in bid acceptance date
6. Register of proposals received [2 GAR §3114(h)(1)]
7. Statement which the Procurement officer certifies in writing and under penalty of perjury that a complete procurement record exists before award is made. (5 GCA §5250, 2 GAR §3130)

Should you have any other questions or concerns, please feel free to contact me.

On Fri, May 11, 2018 at 10:46 AM, Leah Duenas <busofc.admin@guahanacademy.org> wrote:

> Good Morning Leana,
>
> Just wanting to find out the status of the procurement documentation missing to complete our food vendor contract. Thank you so much for your assistance.
>
> Best Regards,
>
> --
> Leah L. Duenas
> Executive Assistant
> Business & Finance Office
> Guahan Academy Charter School
> Email:**busofc.admin@guahanacademy.org**
> P.O. Box CS, Hagatna, GU 96932
> **(671) 734-1066**