The Honorable
LOURDES A. LEON GUERRERO
Maga' Håga · Governor

The Honorable
JOSHUA F. TENORIO
Sigundo Maga' Låhi · Lieutenant Governor

public works
DIPATTAMENTON CHE'CHO' PUPBLEKO
VINCENT P. ARRIOLA
Director
JESSE G. GARCIA
Deputy Director

20-0331

March 6, 2020

35GL-20-1652
Speaker Tina Rose Muña Barnes

MAR 13 2020
Time 9:48 (X)AM ( )PM
Received By:

The Honorable Tina Muña-Barnes
Speaker
I Mina'Trentai Singko Na Liheslaturan Guahan
35th Guam Legislature
163 Chalan Santo Papa
Hagåtña, Guam 96910

REF: REPORTING REQUIREMENTS FOR PL34-35, RELATIVE TO SMALL PURCHASES FOR THE MONTH ENDING FEBRUARY 2020

2020 MAR 13 AM 9:59

Håfa adai Honorable Speaker,

In compliance with Public Law 34-35, the Department of Public Works Division of Highways section hereby submits the following attached report, relative to small purchases for the month of ending February 2020.

If you have any questions, please contact Chief Engineer Masoud Teimoury, P.E., PhD at DPW Division of Highways at 649-3121.

Si Yu'os ma'åse'

Vincent P. Arriola
Director

MT/JM

1652

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OFFICE OF PUBLIC ACCOUNTABILITY

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February 28, 2020

To: **All Directors, Administrators, Presidents, and Heads of Line Agencies, Public Corporations, the Mayors' Council of Guam, the Judiciary of Guam, and I Liheslaturan Guåhan**

From: **Benjamin J.F. Cruz, Public Auditor**

Re: **Monthly Reports Due in Compliance with P.L. 34-35, Relative to Small Purchases**

The Office of Public Accountability (OPA) would like to remind all Government of Guam (GovGuam) agency heads of the law provisions with respect to small purchases. In summary, Title 5 Guam Code Annotated (GCA), Chapter 5, §5213, defines "small purchases" as any procurement that does not exceed $25,000 for supplies or services, and does not exceed $100,000 for construction. Section 5213 also warns that procurement requirements must not be artificially divided so as to qualify for "small purchase" procedures under Guam Procurement Law.

To control the risk of artificial small purchases, Public Law (P.L.) 34-35 added a reporting requirement to 5 GCA §5213, relative to small purchases. The law requires that the Chief Procurement Officer, the Department of Public Works Director, or the agency head making small purchases submit **monthly** reports to the Speaker of the Guam Legislature, disclosing any procurement exceeding $15,000 for supplies and services or exceeding $50,000 for construction. Whether or not these procurement thresholds are exceeded, monthly reports should be submitted.

It has come to my attention that only three agencies have replied to this reporting requirement since it was signed into law on August 7, 2017 – Guam International Airport Authority (GIAA), Guam Power Authority (GPA), and Guam Solid Waste Authority (GSWA). No other GovGuam agencies have responded to this reporting requirement, including OPA. Furthermore, a review of the submitted reports reveals identical (or similar) supplies, services, or construction that were split among two or more vendors and/or different months with costs at (or closely below) the $25,000 or $100,000 threshold. While not conclusive, it is suggestive of an artificial division of procurement. For reference on the only reports submitted relative to P.L. 34-35, small purchases, please see the Guam Legislature's website.

Should you have any questions, please contact Michele Brillante at (671) 475-0390 ext. 217. Thank you.

DEPARTMENT OF PUBLIC WORKS DIVISION OF HIGHWAYS
Procurement exceeding $ 15,000.00 for Supplies and Services
FOR THE MONTH ENDING FEBRUARY 2020

SECTION	REQUISITION	PO NUMBER	REQ AMOUNT	REPORTING	TYPE	PO DATE	VENDOR
FHWA	Q201099-001	P201099001	$ 16,795.00	> $ 15,000	SERVICES	10/21/19	Cal-Cert Company
HMC	Q201060003	P206A00636	$ 303,420.60	> $ 15,000	SERVICES	10/31/19	GUAM POWER AUTHORITY
HMC	Q201060008	P206A00712	$ 8,333.00	> $ 15,000	SERVICES	11/5/19	FLEET SERVICES
HMC	Q201060008	P206A00713	$ 8,333.00	> $ 15,000	SERVICES	11/5/19	MID PAC FAR EAST DBA CUMMIN
HMC	Q201060008	P206A00714	$ 8,333.00	> $ 15,000	SERVICES	11/5/19	MORRICO EQUIPMENT, LLC DBA
HMC	Q201060012	P206A00716	$ 5,000.00	> $ 15,000	GOODS	11/5/19	COMMERCIAL TIRE DEPOT, LLC
HMC	Q201060012	P206A00717	$ 5,000.00	> $ 15,000	GOODS	11/5/19	MGT CORPORATION
HMC	Q201060012	P206A01551	$ 5,000.00	> $ 15,000	GOODS	12/26/19	
HMC	Q201060068	P206A02693	$ 59,082.00	> $ 15,000	GOODS	2/28/20	FAR EAST EQUIPMENT COMPANY
CIP							NONE, as of 3/5/2020
TOTAL			$ 419,296.60				

DEPARTMENT OF PUBLIC WORKS DIVISION OF HIGHWAYS
Procurement exceeding $ 50,000.00 for Construction
FOR THE MONTH ENDING FEBRUARY 2020

SECTION	REQUISITION	PO NUMBER	REQ AMOUNT	REPORTING	TYPE	PO DATE	COMMENTS
HMC							NONE, as of 3/5/2020
CIP							NONE, as of 3/5/2020
FHWA							NONE, as of 3/5/2020