

I Mina'trentai Siette Na Lihelaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
248-37 (COR)	Sabina Flores Perez	AN ACT TO AMEND § 5214 (b) OF SUBARTICLE B OF ARTICLE 3, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE SOLE SOURCE PROCUREMENT OF TECHNOLOGY HARDWARE, SOFTWARE, MAINTENANCE, SUPPORT AND CUSTOMIZATION SERVICES.	2/16/24 4:34 p.m.						

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2024 (SECOND) Regular Session

Bill No. 248-37 (COR)

Introduced by:

Sabina Flores Perez /SFP

AN ACT TO *AMEND* § 5214 (b) OF SUBARTICLE B OF ARTICLE 3, CHAPTER 5, TITLE 5, GUAM CODE ANNOTATED RELATIVE TO THE SOLE SOURCE PROCUREMENT OF TECHNOLOGY HARDWARE, SOFTWARE, MAINTENANCE, SUPPORT AND CUSTOMIZATION SERVICES.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that government procurement regularly incurs costs with known quantities of work
4 hours, office supplies, utility services, and other administrative costs. Unnecessary
5 duplication of work can occur when procurement is for identical goods and/or
6 services. Instead of repeating the effort of performing the same market research,
7 government buyers can leverage recently performed and appropriately documented
8 would-be identical market research to reduce these costs.

9 Procurement for technology goods, which have higher incidence of sole
10 source procurement, are unique in that they typically offer better pricing for and/or
11 require a service contract that exceeds the one-year term currently allowed by
12 government of Guam procurement law. These procurements usually carry, on
13 average, a support contract for five years, with ten (10) to fifteen (15) years for larger
14 projects. For sole source procurement, this may be especially costly to the People of
15 Guam, because of shorter duration of the contract and increased administrative costs.
16 Optimizing these processes could offer the best value to the People of Guam.

1 It is the intent of *I Liheslaturan Guåhan* to optimize and streamline
2 procurement of technology hardware, software, maintenance, support, and/or
3 customization services, when sole source determination is made with involvement
4 of the Chief Technology Officer, by using best practices and expanding the sole
5 source contract for five years with the option for two successive renewals of five
6 years each, provided the total contract does not exceed fifteen years.

7 **Section 2.** § 5214 (b) of Article 3, Chapter 5, Title 5, Guam Code Annotated
8 is hereby *amended* to read as follows:

9 “(b) (1) A sole source contract shall not exceed a term greater than
10 one (1) year, with four (4) successive annual options to renew. Any option to
11 renew a contract under this Section shall not exceed a term greater than one
12 (1) year. An option to renew may be exercised only by the government when,
13 at the time to be exercised, the Chief Procurement Officer, the Director of
14 Public Works, the head of a purchasing agency, or a designee of either officer
15 above the level of the Procurement Officer, determines in writing that there is
16 only one (1) source for the required supply, service, or construction item.

17 (2) Notwithstanding §5214(b)(1), a sole source contract for
18 technology hardware, software, maintenance, support, and/or
19 customization services shall not exceed a term greater than five (5)
20 years with up to two (2) extensions, each having up to five (5) year
21 terms provided the contract does not exceed a total of fifteen (15) years.
22 A sole source procurement for technology hardware, software,
23 maintenance, support, and/or customization services shall require that
24 the purchasing agency’s Chief Technology Officer or their designee
25 with equal or higher degree of relevant technical expertise approves of
26 the following, as they apply:

- 27 i. the business case plan with a cost-benefit analysis.
28 ii. a business process analysis, if applicable.

1 iii. the system requirements or technical specifications,
2 if known.

3 iv. the proposed development plan and project
4 management plan.

5 v. business goals and measurement criteria as
6 appropriate; and

7 vi. a proposed resource or funding plan.”

8 **Section 3.** This Act shall be effective upon enactment.