



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

APR 09 1998

Refer to
Legislative Secretary

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

OFFICE OF THE LEGISLATIVE SECRETARY

ACKNOWLEDGMENT RECEIPT

Received By Joni Gumataotao

Time 4:00 p.m.

Date 4-9-98

Dear Speaker Unpingco:

Enclosed please find a copy of Substitute Bill No. 430 (COR), "AN ACT TO ADD A NEW §5130(d) TO PART D ARTICLE 2, CHAPTER 5, DIVISION 1, PART 1 OF TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO REQUIRING USING AGENCIES, WHEN PURCHASING ITEMS, TO FIRST VERIFY IF SUCH ITEMS OR SIMILAR ITEMS ARE AVAILABLE FROM GOVERNMENT SURPLUS", which I have signed into law today as **Public Law No. 24-159**.

This legislation requires agencies of the government to obtain written verification from the General Services Agency (GSA) of the Department of Administration whether items they intend to purchase are available through the GSA. A deadline of 10 days for action by the GSA is provided, so that an agency can proceed with procurement if the GSA does not respond.

The GSA can facilitate this process by obtaining listings of available items from all of the government agencies and circulating these listings throughout the government. This will enable the free exchange of surplus or still usable items from agency to agency and department to department.

Very truly yours,


Carl T. C. Gutierrez

Attachment

30737

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

Office of the Speaker
ANTONIO R. UNPINGCO

Date: 4-9-98

Time: 4:30


Received by: [Signature]

Print Name: Charlotte Buena

TWENTY-FOURTH GUAM LEGISLATURE
1998 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 430 (COR), "AN ACT TO ADD §5130(d) TO PART D ARTICLE 2, CHAPTER 5, DIVISION 1, PART 1 OF TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO REQUIRING USING AGENCIES, WHEN PURCHASING ITEMS, TO FIRST VERIFY IF SUCH ITEMS OR SIMILAR ITEMS ARE AVAILABLE FROM GOVERNMENT SURPLUS," was on the 25TH day of March, 1998, duly and regularly passed.



ANTONIO R. UNPINGCO
Speaker

Attested:



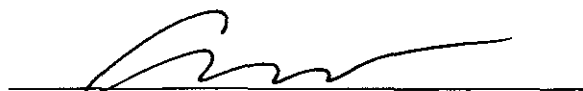
MARK FORBES
Senator and Acting Legislative
Secretary

This Act was received by the Governor this 3rd day of April, 1998, at
10:30 o'clock 9 .M.



Assistant Staff Officer
Governor's Office

APPROVED:



CARL T. C. GUTIERREZ
Governor of Guam

Date: 4-9-98

Public Law No. 24-159

1 that items are procurable, the using agency may determine whether or
2 not to purchase the items. If GSA has not verified the availability of a
3 particular item within ten (10) working days, the using agency may
4 proceed with the purchase.”



TWENTY-FOURTH
GUAM LEGISLATURE

Senator Felix P. Camacho

Power, Foreign Affairs and General Government Services

472-3505-6

472-9747

March 16, 1998

The Honorable Antonio R. Unpingco
Speaker
Twenty-Fourth Guam Legislature
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. 430, "An Act to Add a New 5 GCA §5130 (d) Relative to Requiring Using Agencies When Purchasing Items to First Verify if Such Items or Similar Items are Available from Government Surplus" does hereby report back with the recommendation TO DO PASS as substituted.

Votes of committee members are as follows:

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

Sincerely,

SENATOR FELIX P. CAMACHO




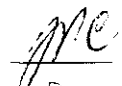
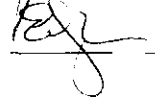


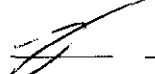
Attachments

**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
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VOTING SHEET ON:

Bill No. 430, "An Act to Add a New 5 GCA §5130 (d) Relative to Requiring Using Agencies When Purchasing Items to First Verify if Such Items or Similar Items are Available from Government Surplus."

<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		✓			
Sen. Lawrence F. Kasperbauer		+			
✓ Sen. Thomas C. Ada					
Sen. Elizabeth Barrett-Anderson					
Sen. Frank B. Aguon, Jr.					
Sen. Francisco P. Camacho		✓			
✓ Sen. Mark C. Charfauros		✓			
✓ Sen. Edwardo J. Cruz, MD		✓			
Sen. William B. S.M. Flores					
Sen. Carlotta A. Leon Guerrero		✓			
Sen. Alberto A.C. Lamorena V		✓			
✓ Sen. Vicente C. Pangelinan		✓			

Sen. Angel L.G. Santos					
Sen. Francis E. Santos					
Sen. Judith Won Pat-Borja					

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

COMMITTEE REPORT

ON

BILL NO. 430 (COR)

“An Act to Add a New 5 GCA §5130 (d) Relative to Requiring Using Agencies When Purchasing Items to First Verify if Such Items or Similar Items are Available from Government Surplus.”

COMMITTEE MEMBERS

Chairman: Felix P. Camacho

Vice Chairman: Senator Lawrence F. Kasperbauer

Ex-Officio Member: Antonio R. Unpingco

Thomas C. Ada
Francisco P. Camacho
Edwardo J. Cruz, MD
Alberto A.C. Lamorena V
Vicente C. Pangelinan
Francis E. Santos
Frank B. Aguon, Jr.

Elizabeth Barrett-Anderson
Mark C. Charfauros
William B. S.M. Flores
Carlotta A. Leon Guerrero
Angel L.G. Santos
Judith Won Pat-Borja

COMMITTEE REPORT
POWER, FOREIGN AFFAIRS AND
GENERAL GOVERNMENT SERVICES

BILL NO. 430 (COR)

“An Act to Add a New 5 GCA §5130 (d) Relative to Requiring Using Agencies When Purchasing Items to First Verify if Such Items or Similar Items are Available from Government Surplus.”

I. PUBLIC HEARING

The Committee on Power, Foreign Affairs & General Government Services (CPFA&GGS) called a public hearing to order at 9:00 a.m., Tuesday, February 24, 1998 to hear testimony on Bill No. 430 (COR). The hearing was held in the Public Hearing Room, of the Temporary Building, of the Guam Legislature, Agaña. Notices were placed in the Pacific Daily News on 02/18/98 and 02/22/98.

The hearing was called to order by Senator Felix P. Camacho, Chairman of CPFA&GGS. Members present included Senators Francisco P. Camacho, Carlotta A. Leon Guerrero, Frank B. Aguon, Jr., William B. S.M. Flores, Vicente C. Pangelinan, Eduardo J. Cruz, MD and Alberto A. Lamorena V.

Present to testify were Mr. Fred Santiago, Administrator, Guam State Agency for Surplus Property and Mr. Frank Lizama, Chief, Defense Reutilization Marketing Office.

II. BACKGROUND

In order to effectuate efficient operations on a daily basis, agencies as well as other entities within the government of Guam procure needed supplies throughout the year. And although a large number of these supplies are regularly made available through government surplus, many agencies opt to purchase new items before attempting to confirm if said items are indeed available as surplus. And at a time when sound fiscal management within the

government of Guam is imperative, it is expedient that said agencies attempt to save money when at all possible. While patronage at local businesses is to be encouraged, it is not to be encouraged at too-great an expense to the general treasury. Bill No. 430 (COR) seeks to require that government of Guam agencies and entities first verify, with the General Services Agency, Guam State Agency for Surplus Property, if supplies are available before new items are purchased.

III. TESTIMONY

Mr. Fred Santiago, Administrator for the Guam State Agency for Surplus Property testified on behalf of Bill No. 430 (COR). Written testimony was provided by Joaquin T. Aguigui, Acting Chief Procurement Officer for the General Services Agency ("GSA"), which was read by Mr. Santiago. He stated that less than fifty percent (50%) of government of Guam agencies utilize GSA, and without written policy or law that requires that government agencies purchase or use surplus items, the non-surplus utilizing agencies will continue to purchase needed or required items elsewhere. (Written testimony attached.)

Mr. Frank Lizama, Chief of the Defense Reutilization Marketing Office ("DRMO"), provided oral testimony in support of Bill No. 430 (COR). He stated that the federal surplus property program began with the Federal Property Administration Services Act of 1949, which was then amended by Public Law 94-519. This public law furnished GSA with the authority to dispose of federal property. In turn, GSA delegated this responsibility to the Defense Statistics Agency, which is known as the Defense Reutilization and Marketing Service. He said that the program is a worldwide, international program that all fifty states and all U.S. territories participate in; a program that has provided for tremendous savings. He stated that the government of Guam was able to save six million dollars last year through its participation in the program; even if participation was limited. He said that the program also serves as an alternate source for agencies within the government of Guam to procure supplies, parts or pieces of equipment that are not readily available through the government of Guam. He went on to say that the program is intended to save procurement dollars from the federal level to the Department of Defense, to the local levels of government. He concluded by stating that encouragement of additional participation of government of Guam agencies in the program is needed, and that said participation makes more taxpayer sense.

Senator Carlotta A. Leon Guerrero stated that her intent in authoring the measure was to provide for more government of Guam participation in the

program. She said that it was illogical that surplus supplies, that are readily available for government procurement, are in storage and unutilized by local government agencies. She went on to state that if enacted into law, the measure would provide that government agencies routinely first verify if surplus items are available through GSA and DRMO, before any attempts are made to procure new items through local retailers.

Senator Francisco P. Camacho inquired in whether specific criterion is used to make a determination on whether an item is repairable or reusable before it is made available as government surplus.

Mr. Lizama stated that the items available through DRMO are both used, as well as unused and in original condition. Depending on the needs of the agency, DRMO would be able to donate new property as well. He also stated that depending on the amount of money an agency wishes to spend on repairing an item, DRMO has property, in varying conditions, that are readily available for procurement.

Senator Felix P. Camacho inquired on whether a priority listing is available in which agencies or individuals can place an item “on hold” before the item is actually put out for public bid.

Mr. Lizama responded by saying that the Department of Defense and federal agencies are given priority, through the program, over government of Guam agencies and Commonwealth of the Northern Marianas Islands’ government agencies. He stated that the first donee (of which government of Guam and Commonwealth of the Northern Marianas Islands are categorized) that places an item on hold during the donation screening period has reserve rights to the property until approval is given. In relation to property being withheld after it has been put out for public sale, Mr. Lizama responded by stating the main mission of the program is to save procurement dollars for the Department of Defense, federal agencies and donees.

Senator Felix P. Camacho asked if mayoral offices are included in the program. Mr. Lizama responded in the affirmative, and stated that said offices have benefited greatly through the program.

IV. FINDINGS

The Committee finds that Bill No. 430 (COR) can be reported out with substantive changes made at the request of the author. Namely, the deletion

of text requiring that government of Guam agencies purchase items from GSA after verification that said items are indeed available for procurement. Technical corrections were then made by the Committee.

V. RECOMMENDATIONS

The Committee on Power, Foreign Affairs & General Government Services hereby reports out Bill No. 430 (COR), as substituted by the committee, with the recommendation **TO DO PASS**



GENERAL SERVICES AGENCY

(Ahensian Setbision Hinirat)

Government of Guam

P.O. Box FG, Agana, Guam 96910

Tel: 477-8836-8 • Telex: 7216490

Accountability • Impartiality • Competence • Openness • Value

FEB 23 1998

MEMORANDUM

To: Senator Felix Camacho
Chairman, Legislative Committee on Power, Foreign Affairs and
General Government Services

From: Chief Procurement Officer

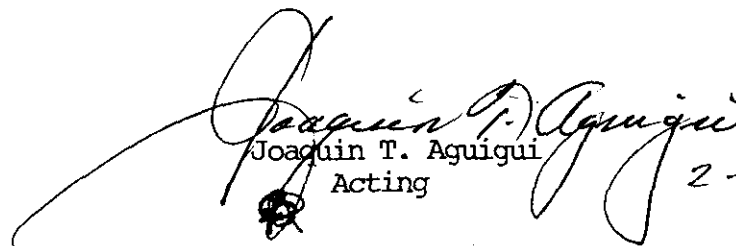
Subject: Public Hearing on Bill 430

Hafa Adai!

We welcome and support the intent of Bill 430 -- "an act to add a new 5 GCA § 5130 (d) relative to requiring using agencies when purchasing items to first verify if such items or similar items are available from government surplus."

However, less than 50% of the government agencies are utilizing this concept. Without any written policy or law that requires the government to purchase/use surplus items, the non-surplus utilizing agencies will continue to purchase needed/required items elsewhere.

Si Yu'os Ma'ase'.


Joaquin T. Aguigui
Acting 2-23-98

cc: Director of Administration



Commonwealth Now!

FISCAL NOTE
BUREAU OF BUDGET AND MANAGEMENT RESEARCH

BBMR-F7

Bill Number: 430 (COR)
Amendatory Bill: Yes

Date Received: February 19, 1998
Date Reviewed: February 26, 1998

Department/Agency Affected: Various
Department/Agency Head: Various
Total FY Appropriation to Date: Various

Bill Title (preamble): AN ACT TO ADD A NEW 5 GCA §5130 (d) RELATIVE TO REQUIRING USING AGENCIES WHEN PURCHASING ITEMS TO FIRST VERIFY IF SUCH ITEMS OR SIMILAR ITEMS ARE AVAILABLE FROM GOVERNMENT SURPLUS.

Change in Law: Adds a new Subsection 5 GCA §5130 (d)

Bill's Impact on Present Program Funding:

Increase _____ **Decrease** _____ **Reallocation** _____ **No Change** XXX

Bill is for:

Operations XXX **Capital Improvement** _____ **Other** _____

FINANCIAL/PROGRAM IMPACT

ESTIMATED SINGLE-YEAR FUND REQUIREMENTS (Per Bill)			
PROGRAM CATEGORY	GENERAL FUND	OTHER	TOTAL
	<u>1/</u>		

ESTIMATED MULTI-YEAR FUND REQUIREMENTS (Per Bill)						
FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL	<u>1/</u>					
OTHER						
TOTAL						

FUNDS ADEQUATE TO COVER INTENT OF THE BILL? N/A -- IF NO, ADD'L AMOUNT REQUIRED \$ _____

AGENCY/PERSON/DATE CONTACTED: _____

ESTIMATED POTENTIAL MULTI-YEAR REVENUES						
FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL FUND	<u>N/A</u>					
OTHER						
TOTAL						

ANALYST _____

DATE 2/26/98 **DIRECTOR** _____

Joseph E. Rivera, Acting

DATE FEB 26 1998

FOOTNOTES: See Attachment

1/ Bill 430 (COR) is an act to add a new § GCA relative to requiring using agencies when purchasing items to first verify if such items or similar items are available from government surplus. Although this Bill appears to administrative in nature, its passage may pose a fiscal impact. Such an impact, however, should be absorbed by the budgets of the departments and agencies affected.