



Jerrick Hernandez &lt;jhernandez@guamopa.com&gt;

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**In the Appeal of Pacific Federal Management, Inc. - Docket No. OPA PA-24-005**

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**Jennifer S. Mendiola** <jsmendiola@bsjmlaw.com>

Fri, Feb 21, 2025 at 4:01 PM

To: Jerrick Hernandez &lt;jhernandez@guamopa.com&gt;

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Dear Mr. Hernandez:

Please see attached (1) **Appellant's Remedies Brief**; and (2) **Appellant's Proposed Findings of Act and Conclusions of Law** for e-filing in the above-referenced matter. Kindly confirm receipt via return e-mail.

Thank you. Should you have any questions or concerns, please let us know.

Regards,

Jennifer S. Mendiola,

Secretary to Mr. Johnson and Ms. Baza

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**NOTICE: We have moved. Please note that our location and mailing address are now:**

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**Thank you.**

**LexMundi** Member

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**2 attachments**

**2025.02.21 Appellant's FFCL re PFM OPA-PA-24-005.pdf**  
261K



**2025.02.21 Appellant's Remedies Brief re PFM OPA-PA-24-005.pdf**  
186K

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8 **IN THE OFFICE OF PUBLIC ACCOUNTABILITY**  
9 **PROCUREMENT APPEAL**

10 **In the Appeal of** ) Appeal No. OPA PA-24-005  
11 )  
12 **PACIFIC FEDERAL MANAGEMENT,** ) **PROPOSED FINDINGS OF**  
13 **INC.,** ) **FACT AND CONCLUSIONS OF**  
14 ) **LAW**  
15 **Appellant.** )  
16 \_\_\_\_\_ )

17 This procurement appeal was heard by the Public Auditor, Benjamin J.F. Cruz on January  
18 29, 2025. Appellant **PACIFIC FEDERAL MANAGEMENT, INC.** (“PFM”) was represented by R. Marsil  
19 Johnson. The **GUAM INTERNATIONAL AIRPORT AUTHORITY** (“GIAA”) was represented by  
20 William B. Brennan. **GREEN COMMUNITY DEVELOPMENT DBA SURFACE SOLUTIONS** (“Surface  
21 Solutions”) was represented by Leevin Camacho and Shannon Taitano.

22 Following the hearing, the Public Auditor ordered the parties to file Proposed Findings of  
23 Fact and Conclusions of Law by February 21, 2025.

24 **FINDINGS OF FACT**

25 1. On May 22, 2024, GIAA issued Invitation for Bid No. GIAA-C07-FY24, Project No.  
26 GIAA-FY22-02-1, AIP No. 3-66-0001-TBD, for the Terminal Building Roof Replacement and  
27 Renewable Energy System – Phase I at GIAA (the “IFB”). Procurement Record (“PR”) at p. 0001;  
28 PR at p. 0007.

1 2. PFM acknowledged receipt of the IFB packet on May 30, 2024. PR at p. 0938.

2 3. Three bids were submitted:

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<b>Bidder</b>	<b>Total Bid Amount</b>
Green Community Development dba Surface Solutions	\$7,898,800.00
Pacific Federal Management, Inc.	\$15,922,865.41
Core Tech International Corporation	\$20,068,296.00

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7 PR at p. 1851.

8 4. Core Tech International Corporation (“Core Tech”) had the highest bid of  
9 \$20,068,296.00. This bid was \$4,145,430.59 higher than PFM and \$12,168,496.00 higher than  
10 Surface Solutions. PR at p. 1851.

11 5. GIAA did not award the contract to the lowest bidder. Instead, GIAA awarded the  
12 contract to the highest bidder, Core Tech. PR at p. 1858.

13 6. PFM is a licensed General Engineering Contractor, an “A License” holder and PFM  
14 also holds a General Building Contractor license (also known as a “B License”). PR at pp. 1765–66.

15 7. PFM submitted its bid on July 5, 2024. PR at p. 1681.

16 8. PFM also submitted copies of CLB licenses of its subcontractor: Guam Pacific  
17 Mechanical & Electrical, LLC (“GPME”). GPME holds the following CLB licenses: C-13, C-37,  
18 and C-51. PR at p. 1848.

19 9. PFM noted in its bid, “PFM hereby submits the following Guam Contractor’s  
20 Licenses. Our team will obtain remaining licenses upon contract award.” PR at p. 1833.

21 10. On August 19, 2024, PFM learned that GIAA determined that PFM “was found to be  
22 nonresponsive and not responsible as Bidder failed to submit and does not hold all required  
23 Contractor’s License classifications required in the IFB Package, Special Reminders to Prospective  
24 Bidders (Bidder failed to submit and does not hold C-8, C-41, C-42, C-48)”. PR at p. 1856.

1 11. The IFB required that twelve (12) specified Contractor's License Board ("CLB")  
2 licenses be provided at bid submission, to include the following contractor's licenses: A (general  
3 engineering contractor), B (general building contractor), C-8 (cement concrete contractor), C-13  
4 (electrical contractor), C-33 (painting and decorating contractor), C-37 (plumbing contractor), C-41  
5 (reinforcing steel contractor), C-42 (roofing contractor), C-48 (structural steel contractor), C-51  
6 (warm air heating, ventilating, and air conditioning contractor), C-55 (waterproofing contractor) and  
7 C-56 (welding contractor). PR at p. 40.  
8

9  
10 12. The IFB required submission of contractors' licenses at the time of bid submission.  
11 IFB pp. PR at p. 46; PR at p. 77.

12 13. The effective date of the IFB agreement is when the agreement is signed and  
13 delivered by the last of the parties to sign and deliver. *See* PR at p. 0142.  
14

15 14. GIAA determined the contractor's license classifications required for the IFB  
16 package by consulting with the IFB designer, E&A Engineers, and the GIAA engineering division,  
17 even though the IFB designer could not confirm what CLB licenses were absolutely needed to  
18 perform the work under the IFB. *See* Audio of Formal Hearing – January 29, 2025, Testimony of  
19 Roger Nochefranca, 1:18:36-1:18:54 (William Brennan - In that capacity did you assist the airport  
20 in identifying specifically Guam Contractors License Board licenses that may be relevant to a  
21 successful offeror? Roger Nochefranca - We were tasked to do that, where up front we said we do  
22 not know what the license requirements are.); *see also* Audio of Formal Hearing – January 29, 2025,  
23 Testimony of Roger Nochefranca, 1:19:24-1:19:33 (William Brennan - You went through and you  
24 said this may be appropriate? Roger Nochefranca - We asked please check this with the Contractor's  
25 Licensing Board.); *see also* Audio of Formal Hearing – January 29, 2025, Testimony of GIAA's  
26 Supply Management Administrator Kathrina Bayson, 1:37:27-1:37:37 (William Brennan - Do you  
27  
28

1 remember anything about what the airport did with those qualifications and licensure requirements?

2 Kathrina Bayson - We reviewed it and had our engineering section review it as well.).

3 15. The IFB designer admitted at the protest appeal hearing that he was not qualified to  
4 determine the contractors' licenses required to perform the IFB and that such license requirements  
5 should be confirmed with the CLB. *See* Audio of Formal Hearing – January 29, 2025, Testimony of  
6 Roger Nochefranca, 1:18:36-1:18:54, *supra*; *see also* Audio of Formal Hearing – January 29, 2025,  
7 Testimony of Roger Nochefranca, 1:21:39-1:22:11 (R. Marsil Johnson - Did you say that you made  
8 a determination of what [contractors license] absolutely was needed? Roger Nochefranca – No, not  
9 absolute. Right off the bat I was up front, I may not know what, what the contractors' licenses are,  
10 um, I pulled out qualifications to do the work, and it's um, how that equates to contractors licenses,  
11 I do not know. R. Marsil Johnson – So you're not the expert when it comes to contractor's licenses  
12 are you? Roger Nochefranca – Correct, I'm not.).

13 16. While GIAA did confirm whether bidders held the CLB licenses suggested by its  
14 designer and contained in the IFB, GIAA did not confirm whether such licenses were required for  
15 the interested bidders to be authorized to perform the scope of work under the IFB. *See* Audio of  
16 Formal Hearing – January 29, 2025, Testimony of Kathrina Bayson, 2:05:01-2:05:46 (Shannon  
17 Taitano - In that document you said you called to contractor's license to confirm whether the bidders  
18 held the required licenses required in the IFB, is that correct? Kathrina Bayson – Yes. ... Shannon  
19 Taitano – When you spoke with contractor's licensing, did you ask whether [the bidders] held these  
20 licenses, or whether they were authorized to do the work? Kathrina Bayson – I asked if they held the  
21 licenses.).

22 17. At the time of IFB submission, there were several conflicting published CLB rules  
23 and regulations. The GIAA Agency Statement cites two different and conflicting versions of the  
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1 CLB rules and regulations. The first is 25 GAR Chapter 12.

2 18. The second is the Guam CLB Rules and Regulations available at  
3 <https://guamclbcom.wordpress.com/wp-content/uploads/2016/09/rules-and-regulations.pdf> (the  
4 “CLB WordPress Rules”).  
5

6 19. There is a third set of CLB rules and regulations located at 29 GAR Article IV.

7 20. There is also a fourth set of CLB rules and regulations that became effective on July  
8 11, 2024 (the “New CLB Rules”). The New CLB Rules became effective just five days after the bids  
9 were due in response to the IFB. The New CLB Rules repealed the CLB rules found at 29 GAR  
10 Article 4, repealed the old CLB rules found at 25 GAR Chapter 12, and enacted the New CLB Rules  
11 as a new 25 GAR Chapter 12. This is discussed in the Certification of Approval by Default Pursuant  
12 to 5 G.C.A. § 9303(c) (the “Certificate of Approval”) that was issued by the Guam Legislature on  
13 July 11, 2024.<sup>1</sup>  
14  
15

16 21. At the time of bid submission, it is unclear which set of rules and regulations the CLB  
17 was following, other than the “old rules,” with the CLB Director John Aguon admitting that there  
18 was a lot of confusion regarding the applicable rules. *See* Audio of Formal Hearing – January 29,  
19 2025, Testimony of CLB Director John Aguon, 10:25-10:41 (William Brennan – So you don’t have  
20 an explanation as the CLB director as to why there were three different codifications of the old rules  
21 before? John Aguon – I do not have an answer. William Brennan – Was that, may I ask you, was  
22 that one of the problems that you dealt with as you came in, which is that you had these conflicting  
23 rules everywhere? John Aguon – Yes.); *see also* Audio of Formal Hearing – January 29, 2025,  
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28 <sup>1</sup> *See* Certification of Approval by Default Pursuant to 5 G.C.A. § 9303(c), available at  
<https://clb.guam.gov/wp-content/uploads/2024/08/7.11.24-CLB-Amendments-to-the-Rules-and-Regulations-Repeal-29-GAR-Repeal-and-Reenact-25-GAR-1.pdf>

1 Testimony of CLB Director John Aguon, 44:55-45:29 (Leevin Camacho – So we’ve referenced out  
2 the Title 25 GAR and the Title 29 GAR and now these [rules on the CLB website], so in May of  
3 2024, were you applying these rules or were you applying the GAR? John Aguon – My instructions  
4 in my office that we follow the old rules and regs until the new rules and regs were adopted.); *see*  
5 *also* Audio of Formal Hearing – January 29, 2025, Testimony of CLB Director John Aguon, 46:44-  
6 47:16 (John Aguon - We were applying the old rules, until the new rules were adopted ... There was  
7 a lot of confusion, believe me, there was a lot of confusion going into the CLB and that’s why I was  
8 happy that I came in when the OPA went through and obviously this problem wasn’t... it’s been  
9 there, it’s just us fixing it just now.).

12 22. GIAA contacted the CLB to confirm whether PFM or its subcontractors possessed  
13 all the CLB licenses listed in the IFB. PR at p. 2097. *See also* Audio of Formal Hearing – January  
14 29, 2025, Testimony of Kathrina Bayson, 1:38:29-1:38:40 (Kathrina Bayson - We actually also  
15 called the contractor’s license board just to confirm whether those particular bidders do or don’t  
16 have those CLB licenses.).

18 23. GIAA issued a notice of award to Core Tech and gave notice to PFM on or about  
19 August 19, 2024. PR at p. 1857.

21 24. PFM submitted its protest on August 29, 2024. PR at pp. 2124–29.

22 25. GIAA denied PFM’s protest on October 14, 2024. PR at pp. 2315–18.

23 26. PFM filed the instant protest appeal on October 29, 2024.

#### 25 CONCLUSIONS OF LAW

##### 26 A. PFM’S PROTEST AND APPEAL WERE TIMELY.

27 An aggrieved individual must submit a protest within fourteen (14) days after such aggrieved  
28 individual knows or should know the facts giving rise thereto. 5 G.C.A. § 5425(a).



1 GIAA argues that because the IFB was downloaded by PFM on May 30, 2024, and because  
2 the IFB indicated that proof of possession of valid contractor’s licenses with the classifications A,  
3 B, C-8, C-13, C-33, C-37, C-41, C-42, C-48, C-51, C-55, and C-56 would be due at bid submittal,  
4 PFM’s protest was not timely.  
5

6 However, PFM only learned why GIAA deemed it a nonresponsive bidder on August 19,  
7 2024. Only when PFM received the Bid Status letter informing it that PFM “failed to submit and  
8 does not hold all required Contractor’s license classifications,” did it become aware that GIAA did  
9 not agree with its position that the “A License” and “B License” satisfied most of the specialty  
10 license requirements of the IFB. Thus, PFM’s protest was timely filed pursuant to 5 G.C.A. §  
11 5425(a).  
12

13 **B. PFM WAS A RESPONSIVE AND RESPONSIBLE BIDDER AUTHORIZED TO PERFORM THE**  
14 **WORK OF THE IFB BASED ON ITS GENERAL ENGINEERING CONTRACTORS LICENSE (“A**  
15 **LICENSE”), GENERAL BUILDING CONTRACTOR’S LICENSE (“B LICENSE”) AND THE C-**  
16 **LICENSES SUBMITTED BY ITS SUBCONTRACTOR.**

17 PFM holds a General Engineering Contractor license (“A License”). “A License” holders  
18 are, by definition, “contractor[s] whose principal contracting business is in connection with fixed  
19 works requiring specialized engineering knowledge and skill, including the following divisions *or*  
20 subjects: **airports and airways.**” 21 GCA § 70106(b) (emphasis added).

21 The list of skills and trades that General Engineering Contractors (“A License” Holders) can  
22 perform is found in 25 GAR §12106(a)(1). That list specifically includes most of the skills and trades  
23 for which GIAA identified required “C Licenses.” The list of skills and trades includes: Cement  
24 Concrete, Reinforcing Steel, Structural Steel, Water Proofing, and Welding.  
25

26 PFM also holds a General Building Contractor license (also known as a “B License”). The  
27 list of skills and trades General Building Contractor (“B License” Holders) can perform is found in  
28 25 GAR §12106(a)(2). That list includes most of those skills and trades as well: Cement Concrete,

1 Painting & Decorating, Reinforcing Steel, Roofing Contractor, Structural Steel, Waterproofing, and  
2 Welding.

3 Furthermore, PFM also submitted copies of CLB licenses of its subcontractor, GPME, which  
4 holds the following CLB licenses: C-13, C-37, and C-51. Based on the above, PFM's is qualified  
5 under Guam law to perform the work under all 12 licenses required by the IFB. See table below:  
6

IFB License Requirement	PFM Licenses
A (general engineering contractor)	A (general engineering contractor)
B (general building contractor)	B (general building contractor)
C-8 (cement concrete contractor)	Authorized under "A" and "B" license
C-13 (electrical contractor)	Submitted subcontractor GPME's license
C-33 (painting and decorating contractor)	Authorized under "B" license
C-37 (plumbing contractor)	Submitted subcontractor GPME's license
C-41 (reinforcing steel contractor)	Authorized under "A" and "B" license
C-42 (roofing contractor)	Authorized under "B" license
C-48 (structural steel contractor)	Authorized under "A" and "B" license
C-51 (warm air heating, ventilating and air conditioning contractor)	Submitted subcontractor GPME's license
C-55 (waterproofing contractor)	Authorized under "A" and "B" license
C-56 (welding contractor)	Authorized under "A" and "B" license

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17 Furthermore, under its "A License," PFM was authorized to perform specialized engineering work  
18 involving airports and airways. Based on the above definitions and classifications, GIAA's  
19 determination that PFM is not licensed to perform work on airports and airways, including on the  
20 Guam International Airport Authority, is contrary to Guam law.  
21

22 Under Guam's procurement law, a responsible bidder is "a person who has the capability in  
23 all respects to perform fully the contract requirements, and the integrity and reliability which will  
24 assure good faith performance." 5 G.C.A. § 5201(f). A responsive bidder is "a person who has  
25 submitted a bid which conforms in all material respects to the Invitation for Bids." 5 G.C.A. §  
26 5201(g). Given that PFM submitted evidence in its bid showing that it had the capability to perform  
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1 the contract requirements and its qualifications conformed in all material respects to the IFB, PFM  
2 was a responsive and responsible bidder based on the stated license requirements of the IFB.

3 **C. GIAA'S POSITION THAT "A LICENSE" OR "B LICENSE" HOLDERS MUST HOLD SEPARATE**  
4 **SPECIALTY LICENSES IS NOT SUPPORTED BY THE STATUTE AND WOULD CREATE AN**  
5 **ABSURD RESULT.**

6 If "A License" and "B License" holders had to obtain "C License" subclassifications to  
7 perform any work under those classifications, then "A License" and "B License" holders would have  
8 no real authority to perform any contracting work at all. It would mean that a General Engineering  
9 "A License" holder, who is a "contractor whose principal contracting business is in connection with  
10 fixed works requiring specialized engineering knowledge and skill, including ... hydroelectric  
11 projects ... sewage disposal plants ... airports and airways ... and cement and concrete works" is  
12 required to obtain a C-8 Cement Concrete Contractor license to perform cement and concrete works,  
13 which they are statutorily defined to be able to perform. *See* 21 GCA § 70106(b) ("cement and  
14 concrete works in connection with the above-mentioned fixed works"). This would be an absurd  
15 result. It would similarly be a completely illogical construction of the regulations if an "A License"  
16 holder was authorized to construct sewage disposal plants but was incapable of performing plumbing  
17 work without a C-37 (plumbing contractor) license.  
18

19  
20 Further, 25 GAR § 12107(a)(4), states that:

21  
22 (4) Any person who qualifies by written examination after the effective date of  
23 these rules for a contractors license in the general engineering contractor  
24 classification shall automatically be deemed to hold or be qualified for a license in  
the specialties listed under §12106(a).

25 The fact that there is overlap between the trades and crafts specified in 25 GAR Ch. 12 § 12106(a)(1),  
26 (2), and (3) is exactly why this section exists. There would be no reason for a contractor to take a  
27 separate examination or apply for a separate "C License" for a trade or craft that is already subsumed  
28

1 in the list of trades and crafts included in the “A License” or “B License” the contractor has already  
2 obtained. Doing so would be redundant.

3           This is why it was unnecessary for PFM to submit copies of “C Licenses” in the categories  
4 of trades and crafts in which it was already licensed to perform work under its “A License” and “B  
5 License.” To require such would be redundant, as PFM was already licensed to do work in those  
6 areas. See 25 GAR § 12107(a)(4) (General Engineering “A License” holders “shall automatically be  
7 deemed to hold or be qualified for a license in the specialities listed under §12106(a)”). Although  
8 PFM was willing to submit additional licensing upon award, doing so was not necessary as it was  
9 already licensed to perform the work of the IFB pursuant to its “A License” and “B License”.

12           Other provisions in the CLB rules and regulations also support this conclusion. For example,  
13 25 GAR § 12107(b)(4) explicitly emphasizes that a General Building Contractor (a “B License”  
14 holder) need not have a C-30 Limited Home Improvement and Renovation “C License” to engage  
15 in home improvement and renovation contracting. This makes sense given that the definition of a  
16 General Building Contractor (a B License holder) includes principal contracting work in connection  
17 with any structure built for the support, shelter, and enclosure of persons, chattels, or moveable  
18 property. There is no reason why a contractor already licensed to do work under a “B License” in  
19 connection with any structure built for the support, shelter, and enclosure of persons, chattels, or  
20 moveable property would also need a “C License” to undertake “Limited Home Improvement and  
21 Renovation.” Such a license would be superfluous.

24           Therefore, the OPA reject’s GIAA’s argument that “A License” or “B License” holders must  
25 hold separate C licenses in areas in which they are already authorized to perform work under an  
26 existing “A License” or “B License”. Requiring so would lead to an absurd result.  
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1 **D. CORE TECH WAS NOT THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER AND SO**  
2 **SHOULD NOT HAVE BEEN AWARDED THE CONTRACT.**

3 When a government agency issues an invitation for bid, the “contract shall be awarded with  
4 reasonable promptness by written notice to the lowest responsible bidder whose bid meets the  
5 requirements and criteria set forth in the Invitation for Bids and whose bid amount is sufficient to  
6 comply with Article 13 of this Chapter, if applicable.” 5 G.C.A. § 5211(g).

7 As stated above, PFM’s bid was responsible and responsive. GIAA selected Core Tech for  
8 award of the IFB, but Core Tech’s bid was not the lowest because Core Tech’s \$20,068,296.00 bid  
9 was \$4,145,430.59 higher than PFM’s \$15,922,865.41 bid. As a result, Guam law dictates that the  
10 award should not have gone to Core Tech.

11 The award of this contract to the highest bidding party, despite a lower bidding party holding  
12 contractors’ licenses authorizing it to do the work specified in the IFB, violates Guam’s procurement  
13 law and violates the purposes and principles of Guam procurement law. Pursuant to 5 G.C.A. §  
14 5001(b), government procurement should be conducted in a manner that will provide for increased  
15 public confidence in the procurement process, ensure the fair and equitable treatment of all persons  
16 who deal with the procurement system, provide for increased economy in territorial activities and  
17 fully maximize the purchasing value of Guam’s public funds. GIAA did not adhere to this policy  
18 when it selected the highest bidder to perform work that two lower bidders were licensed to perform.

19 **E. GIAA’S FAILURE TO CONFIRM LICENSURE REQUIREMENTS AND ITS REQUIREMENT**  
20 **THAT ALL LICENSES BE SUBMITTED AT THE TIME OF BID SUBMISSION LIMITED**  
21 **COMPETITION IN CONTRAVENTION OF GUAM LAW.**

22 Guam’s procurement law requires that “[a]ll specifications shall seek to promote overall  
23 economy for the purposes intended and encourage competition in satisfying the Territory’s needs,  
24 and shall not be unduly restrictive.” 5 G.C.A. § 5265. Further, “[s]pecifications shall not include  
25 requirements, such as but not limited to restrictive dimensions, weights or materials, which  
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1 unnecessarily restrict competition, and shall include only the essential physical characteristics and  
2 functions required to meet the Territory’s minimum needs.” 5 G.C.A § 5268(a).

3           These underlying purposes and policies of Guam’s procurement law are found in the very  
4 first section of the law at 5 G.C.A. § 5001(b). Those purposes and policies include the following:  
5

6           (3) to provide for increased public confidence in the procedures followed in public  
7 procurement;

8           (4) to ensure the fair and equitable treatment of all persons who deal with the  
9 procurement system of this Territory;

10           (5) to provide increased economy in territorial activities and **to maximize to the  
11 fullest extent practicable the purchasing value of public funds of the Territory;**

12 G.C.A. § 5001(b)(5) (emphasis added).

13           Here, GIAA’s designer provided a list of potential CLB licenses that may be required to  
14 perform work under the IFB but indicated that he was not an expert on CLB licensure and that such  
15 CLB license requirements should be confirmed with the CLB. Nevertheless, GIAA proceeded to  
16 require all suggested licenses upon bid submission. Only after GIAA issued the IFB and received  
17 bid submittals did GIAA call the CLB to inquire as to whether certain contractors held specific  
18 licenses. However, GIAA did not inquire specifically as to whether such licenses authorized a  
19 contractor to perform work under the IFB.

20           Both requiring twelve CLB licenses without first consulting with the CLB as to the minimum  
21 required licenses to perform the work, and the further requirement that all licenses be submitted at  
22 bid submission, made the licensing requirements of the IFB unduly restrictive. The fact there are so  
23 many different versions of the CLB rules is another reason why agencies like GIAA should not  
24 attempt to determine which CLB rules and licenses apply to one procurement or another. Even the  
25 CLB found their own rules so contradictory and problematic that it repealed the two different sets  
26 of rules that were in effect during the pendency of this procurement and replaced them both with the  
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1 New CLB Rules. GIAA should have confirmed which licenses were necessary with the CLB prior  
2 to requiring submission of such CLB licenses at bid submittal.

3 Further, GIAA's position that an agreement must be signed at bid submittal is baseless. The  
4 effective date of the IFB agreement is when the agreement is signed and delivered by the last of the  
5 parties to sign and deliver. Given that the agreement is not effective as of the date of bid submittal,  
6 there is no reason for GIAA to require a contractor to hold all licenses on the date it signs the  
7 agreement, particularly if GIAA is insisting on the needless formality of a contractor obtaining a  
8 paper license to show it can do work it is already authorized to perform under its existing licenses.  
9 Such a requirement violates the policy that Guam procurement law must be interpreted to "foster  
10 effective broad-based competition within the free enterprise system" and to "provide increased  
11 economy in territorial activities and to maximize to the fullest extent practicable the purchasing  
12 value of public funds of the Territory." *See* 5 GCA §§ 5001(b)(5) and (6). *See also* 5 GCA § 5265  
13 ("All specifications shall seek to promote overall economy for the purposes intended and encourage  
14 competition in satisfying Guam's needs, and shall not be unduly restrictive.").

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GIAA has failed to provide for increased economy in territorial activities and has failed to  
maximize the purchasing value of local funds in how it has interpreted Guam's procurement law.  
GIAA's failure to abide by the policies and principals of Guam procurement law and 5 GCA § 5265  
are demonstrated by the fact that GIAA awarded this contract to the highest bidder despite a lower  
bidder being authorized to perform the same work. Such an illogical result is not only uneconomical,  
but contrary to Guam law.

**RULING**

The Public Auditor orders the following:

