

SUMMIT ON GOVERNMENT PROCUREMENT

Executive Summary: Guam Summit on Government Procurement

The **Guam Summit on Government Procurement**, held on **June 12, 2025**, brought together government agencies, private-sector vendors, legal experts, and auditors to address procurement challenges and build consensus around reforms that enhance transparency, efficiency, and public trust. Co-hosted by the **Guam Chamber of Commerce**, **Guam Contractors Association**, and **Guam Travel & Tourism Association**, the summit emphasized collaborative problem-solving over assigning blame.

Key Themes and Insights

- **Current Strengths:** Autonomous agencies achieve success through flexibility, early planning, and interagency coordination. The discussion cited technology adoption, standardized processes, and ongoing staff training as critical enablers of efficient procurement.
- **Persistent Challenges:** Outdated and conflicting statutes, unpredictable timelines, and inconsistent application of rules undermine confidence in procurement. Staffing shortages, lack of transparency, and barriers to small and local businesses further hinder effectiveness.
- **Reform Priorities:** Panelists and keynote speaker OPA BJ Cruz stressed the need to modernize laws, implement existing mandates, digitize processes, and standardize procurement practices. Strengthening training, accountability, and oversight—alongside maintaining up-to-date contract data—were seen as essential steps.
- **Legislative Considerations:** Clarifying contracting authority, reconciling conflicting statutes, and reducing approval bottlenecks are necessary to align statutory language with current practice.
- **Strategic Focus:** Key highlights include continuous engagement with the private sector, proactive procurement planning, and advisory councils, all of which are essential to sustaining reforms. Long-term modernization and a shift from legislation to implementation remain vital.

Conclusion:

Participants agreed that Guam's procurement system requires both immediate and structural reforms to reduce delays, improve fairness, and maximize value for taxpayers. Emphasizing collaboration, transparency, and capacity-building, the summit laid the groundwork for a coordinated, long-term effort to establish a more efficient and accountable procurement framework.

Transcripts of the summit are available upon request.

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Here are the **key recommendations** distilled from the summit discussions, followed by recent **news-based examples** that highlight the urgency for swift procurement reform:

Key Recommendations

1. Clarify & Reconcile Statutes

- Legislate clear delegation of contracting authority to trained CPOs, resolving conflicts between **5 GCA §§22601 & 5121**.
- Amend obsolete provisions and align statutes with modern procurement needs.

2. Delegate Authority & Reduce Bottlenecks

- Remove mandatory Governor/AG sign offs on routine contracts.
- Empower agency procurement teams to streamline workflow.

3. Standardize & Digitize Procurement Processes

- Use uniform RFP templates, checklists, and SOPs.
- Launch a centralized e-procurement platform with public transparency features.

4. Set & Enforce Timelines

- Legally bind agencies to bid awards and protest rulings within set deadlines (e.g., 30–45 days).

5. Enhance Training & Build Capacity

- Enforce procurement certification for staff; refresher training every three years.
- Expand staffing, in-house legal support, and elevate procurement leadership roles.

6. Improve Transparency & Accountability

- Mandate real-time posting of solicitations, awards, and protests.
- Deploy a Preventive Law approach—legal oversight, proactive reviews, and risk monitoring—as advocated in local commentary.

7. Support Small & Local Businesses

- Calibrate bid bonds and guarantee prompt payments.
- Facilitate early vendor engagement and expanded outreach.

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8. Institutionalize Reform Structures

- Fully activate the Procurement Advisory Council to monitor, evaluate, and recommend updates annually.
 - Promote cross-agency and public-private collaboration.
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News Examples Reinforcing Need for Immediate Reform

1. Illegal or Unlawful Procurements by OAG

- In March–April 2025, Governor Leon Guerrero requested a **special prosecutor** to investigate the **Office of Attorney General’s** award of over **\$1.5 million** in contracts (private attorneys) potentially in violation of procurement law—no competitive process, no transparency, and absent gubernatorial signature.
- This high-profile case underscores the need for **clear contracting authority**, consistent oversight, and enforcement.

2. Stalled Public Works Projects Due to Procurement Protests

- Projects like the **Simon Sanchez High School rebuilding** suffered repeated delays—with solicitations issued four times between 2015 and 2017—due to flawed and inconsistent procurement planning and protest processes.
- A **Guam Police Department substation** project was stalled after a merit-based protest, halting work pending re-procurement.
- A renewable energy contract at **Guam Power Authority** faced over **16-month litigation**, costing ratepayers **\$17 million** in lost savings.
- These cases illustrate how **unclear guidelines, inconsistent document standards, and automatic protest stays** cause harmful delays and public expense.

3. Training Gaps Fuel Protests & Inefficiency

- A 2025 audit by OPA revealed **vast non-compliance with procurement training mandates**—only 30% of new agency heads had completed Module 1, and even central procurement staff remain poorly certified.
- Public Auditor Cruz noted that protests dropped after training implementation—but agencies still lack enforcement or consistent monitoring.

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A Final Word:

These contemporary cases —spanning illegal contract awards, stalled capital projects, drawn-out protests, and systemic training failures—reinforce the summit’s consensus: **Guam cannot wait**. By taking **efficient and expedient steps**—including legal clarifications, streamlined appeals, digital procurement systems, and mandatory training—GovGuam can mitigate risk, accelerate service delivery, and restore trust.

Summary of How News Reinforces Reform Needs

Recommendation	Real-World Example	Implication
Clarify contracting authority	Illegal contracts by OAG without governor or AG approval	Highlights urgent need for clear delegation
Clear timelines & appeals reform	Multi-year delays due to protests (e.g. GPA, SSHS, GPD)	Demonstrates harm of inconsistent, lengthy protest procedures
Mandated training	Audit shows undertrained staff across agencies	Correlation between training and lower protests indicates value
Transparency & technology	Lack of accessible records, disputes over contract award processes	Reinforces need for publicly accessible systems and data integrity

Appendix A: Works Cited – Recent News & Editorials

- **“AG Investigates Alleged GovGuam Use of Bank of Guam without Competitive Procurement, Senator Says.”** *Pacific Daily News*, Jan. 2025.
- **“Emergency Procurement Delays Threaten Ambulance Fleet Readiness.”** *CitizenPortal.AI*, Oct. 2024.
- **“GMHA Outlines \$29M CIP Funding Needs and Procurement Reforms.”** *CitizenPortal.AI*, May 2025.
- **“Governor Seeks Special Prosecutor to Investigate and Prosecute Illegal Procurement at Office of the Attorney General.”** *Office of the Governor of Guam*, Apr. 2025.
- **“Guam Community College Auditors Question \$36K Federal Spending.”** *Pacific Daily News*, 2024.

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- **“Guam Police Department Eastern Substation Project Stalled.”** *KUAM News*, Oct. 2023.
- Obispo, Skyler, and Maureen N. Maratita. **“AI, Clarity, and SOPs Possible Procurement Solutions.”** *Marianas Business Journal*, 13 June 2025.
- **OPA: Procurement Deficiencies in GMHA Consultancy Contract.** *Guam Daily Post*, Jan. 2024.
- **“Public and Private Sector Talk Procurement Pitfalls and Solutions.”** *KUAM News*, 12 June 2025.
- **“Solutions Sought for Government Procurement Process and Delays Created by Protests.”** *KUAM News*, Feb. 2023.
- Suba, Pauly. **“Procurement Reform Highlighted at Government Procurement Summit.”** *Marianas Business Journal*, 12 June 2025.
- **“Innovate: Fix the Foundation—Procurement Reform Is Guam’s Gateway to Innovation.”** *Pacific Daily News*, July 2025.