

I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
297-38 (COR)	Sabina Flores Perez Chris Barnett Therese M. Terlaje	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.	3/31/26 8:00 a.m.						

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2026 (SECOND) Regular Session

Bill No. 297-38 (COR)

Introduced by:

Sabina Flores Perez *SFP*
Chris Barnett *CB*
Therese M. Terlaje *TMT*

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

9 Procurement for technology goods, which have a 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 (1)-year term currently allowed by
12 government of Guam procurement law. These procurements usually carry, on
13 average, a support contract for five (5) years, with ten (10) to fifteen (15) years for
14 larger projects. For sole source procurement, this may be especially costly to the

1 people of Guam, because of a shorter duration of the contract and increased
2 administrative costs. Optimizing these processes could offer the best value to the
3 people of Guam.

4 Therefore, it is the intent of *I Liheslaturan Guåhan* to optimize and streamline
5 procurement of technology hardware, software, maintenance, support, and/or
6 customization services, when sole source determination is made with involvement
7 of the Chief Technology Officer, by using best practices and expanding the sole
8 source contract for five (5) years with the option for two (2) successive renewals of
9 five (5) years each, provided the total contract does not exceed fifteen (15) years.

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

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

20 (2) Notwithstanding Subsection (b)(1) of this Section and for
21 proprietary (not open source or freely licensed) only, a sole source
22 contract for technology hardware, software, maintenance, support,
23 and/or customization services shall not exceed a term greater than five
24 (5) years with up to two (2) extensions, each having up to five (5) year
25 terms; provided, the contract does not exceed a total of fifteen (15)
26 years. The renewal of a sole source procurement for technology
27 hardware, software, maintenance, support, and/or customization

1 services shall require the approval of the Chief Procurement Officer in
2 consultation with the Office of Technology’s Chief Technology Officer
3 or his/her designee with equal or higher degree of relevant technical
4 expertise. Consideration shall include the following, as they apply:

5 (A) the business case plan with a cost-benefit analysis;

6 (B) a business process analysis, if applicable;

7 (C) the system requirements or technical specifications,
8 if known;

9 (D) the proposed development plan and project
10 management plan;

11 (E) business goals and measurement criteria as
12 appropriate; and

13 (F) a proposed resource or funding plan.”

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