



OFFICE OF PUBLIC ACCOUNTABILITY  
Doris Flores Brooks, CPA, CGFM  
Public Auditor

## PROCUREMENT APPEALS

IN THE APPEAL OF,  
MORRICO EQUIPMENT, LLC

Appellant

APPEAL NO: OPA-PA-13-015

DECISION

### I. INTRODUCTION

This is the Decision of the Public Auditor for appeal number OPA-PA-13-015 which was filed by MORRICO EQUIPMENT, LLC, (Hereafter Referred to as "MORRICO") on October 30, 2013 regarding the Guam Power Authority's (Hereafter Referred to as "GPA") October 15, 2013 denial of MORRICO's August 20, 2013 Protest concerning GPA-IFB-064-11 (55' Bucket Trucks) (Hereafter referred to as "IFB"). The Public Auditor holds that: (1) MORRICO's August 20, 2013 Protest was timely; (2) GPA violated the terms of the IFB, and 5 G.C.A. §5211(g) and 2 G.A.R., Div. 4, Chap. 3, §3109(n)(1) by re-awarding the IFB Contract to MID PAC FAR EAST, whose bid could not be the second lowest bid because it was rejected by GPA as being non-conforming to the IFB specifications. Accordingly, MORRICO's appeal is hereby SUSTAINED.

### II. FINDINGS OF FACT

The Public Auditor in reaching this Decision has considered and incorporates herein the procurement record and all documents submitted by the parties, and all arguments made during the December 16, 2013 hearing for Appellant's Appeal. Based on the aforementioned record in this matter, the Public Auditor makes the following findings of fact:

Decision-1

1 1. On or about June 14, 2011, GPA issued the IFB.<sup>1</sup>

2 2. The IFB required, in relevant part, the following:

3 a. That the bidders submit bids for two (2) bucket trucks, which complied with  
4 the IFB specifications, that would be delivered in two-hundred-forty (240) calendar days.<sup>2</sup>

5 b. That the bidder submit bids for an additional two (2) bucket trucks, for each  
6 of three (3) Option Years, 2013, 2014, and 2015, and that GPA reserves the right to exercise  
7 subsequent option years.<sup>3</sup> However, GPA's Supply Management Administrator testified that  
8 GPA did not intend to purchase any bucket trucks from the successful bidder during any of these  
9 options years.<sup>4</sup>

10 c. That award shall be made to the lowest responsible and responsive bidder,  
11 whose bid is determined to be the most advantageous to the government, taking into  
12 consideration the evaluation factors set forth in the IFB.<sup>5</sup>

13 d. That the bucket truck's aerial platform have a polyethylene liner with a 69KV  
14 AC rating.<sup>6</sup>

15 3. On July 12, 2011, GPA received the following bids in response to the IFB:

16 a. MORRICO bid the amount of \$237,486 for each truck, and the amounts of  
17 \$244,528 for each truck for Option Year 2013, \$251,833 for each truck for Option Year 2014,  
18 and \$259,413 for each truck for Option Year 2015.<sup>7</sup>

19 b. TRIPLE J. ENTERPRISES bid the amount of \$279,809 for each truck, and  
20 the amounts of \$299,777 for each truck, for Option Year 2013, \$311,090 for each truck for  
21 Option Year 2014, and \$319,574 for each truck for Option Year 2015.<sup>8</sup>

22 c. PACIFIC WASTE SYSTEMS bid the amount of \$262,885 for each truck,  
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25 <sup>1</sup> Page 132, IFB, TAB 18, Procurement Record filed on November 8, 2013.

<sup>2</sup> Page 133, Id.

<sup>3</sup> Id.

26 <sup>4</sup> Testimony of Jaime Pangelinan, GPA Supply Management Administrator, December  
16, 2014.

27 <sup>5</sup> Paragraph 23, Award, Cancellation, & Rejection, General Terms and  
Conditions, page 151, Id.

28 <sup>6</sup> Paragraph C.7.2, IFB Specifications, page 135, Id.

<sup>7</sup> Page 1, Abstract of Bids, TAB 10, Id.

<sup>8</sup> Id.

1 and the amounts of \$282,601.37 for each truck for Option Year 2013, \$303,796.43 for each truck  
2 for Option Year 2014, and \$326,581.21 for each truck for Option Year 2015.<sup>9</sup>

3 d. MID PAC FAR EAST bid the amount of \$235,750 for each truck, and the  
4 amounts of \$247,540 for each truck for Option Year 2013, \$259,995 for each truck for Option  
5 Year 2014, and \$273,000 for each truck for Option Year 2015.<sup>10</sup>

6 e. FAR EAST EQUIPMENT COMPANY bid the amount of \$228,125 for each  
7 truck, and the amounts of \$244,095 for each truck for Option Year 2013, \$261,180 for each truck  
8 for Option Year 2014, and \$279,463 for each truck for Option Year 2015.<sup>11</sup>

9 4. On October 5, 2011, GPA notified MORRICO that its bid had been rejected due to  
10 high price and GPA advised MORRICO that the bid is recommended for award to FAR EAST  
11 EQUIPMENT LLC, for two (2) bucket trucks for the total amount of \$456,250.<sup>12</sup>

12 5. On October 5, 2011, GPA notified MID PAC FAR EAST that its bid was rejected  
13 because it did not conform with the IFB's specifications because the trucks that MID PAC FAR  
14 EAST bid did not meet the minimum di-electric rating for the platform polyethylene liner, and  
15 because of the bid's high price.<sup>13</sup>

16 6. GPA awarded the IFB contract to FAR EAST EQUIPMENT LLC, which required  
17 FAR EAST EQUIPMENT LLC, to supply GPA with two (2) bucket trucks at a cost of \$228,125  
18 each for a total cost of \$456,250 with delivery required by June 15, 2012.<sup>14</sup>

19 7. However, FAR EAST EQUIPMENT LLC, subsequently defaulted on its obligation  
20 to deliver the two (2) bucket trucks by June 15, 2012 and GPA terminated its contract with FAR  
21 EAST EQUIPMENT LLC, on January 16, 2013 after no bucket trucks were delivered to GPA.<sup>15</sup>

22 8. Sometime after GPA terminated its contract with FAR EAST EQUIPMENT LLC,  
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24 <sup>9</sup> Id.

25 <sup>10</sup> Id., at page 2.

26 <sup>11</sup> Id.

27 <sup>12</sup> GPA Bid Status dated October 5, 2011, Exhibit A, Notice of Appeal filed on  
October 30, 2013.

28 <sup>13</sup> GPA Bid Status dated October 5, 2011, MORRICO's Exhibit 2, December 16,  
2013 Hearing.

<sup>14</sup> Consolidated Commission on Utilities (CCU) Resolution No. 2011-41 Amended,  
page 16, TAB 5, Id.

<sup>15</sup> Id., at page 17.

1 Jimmy Pangelinan, GPA's Fleet Support Services Manager, talked to GPA's Procurement  
2 Personnel to "salvage" the IFB. Pangelinan, with the assistance of GPA's Procurement  
3 Personnel, formed a bid evaluation committee, whose members included Pangelinan, Enrique V.  
4 Quidachay, GPA's Power Systems Superintendent, and Jose M. Ichihara, GPA's Heavy  
5 Mechanic Leader, and this committee met with a representative from MID PAC FAR EAST  
6 sometime between January 16, 2013 and February 11, 2013. This representative confirmed that  
7 MID PAC FAR EAST would provide two (2) bucket trucks to GPA at its bid price of \$235,750  
8 each for the total amount of \$471,500.<sup>16</sup>

9 9. However, MID PAC FAR EAST had to make various deviations from its original bid  
10 submittal, such as requiring GPA to pay additional shipping charges, and by changing its bucket  
11 truck manufacturer from International to Altec, changing the color of the trucks from John Deere  
12 Yellow to white, changing the trucks' tool box compartments from fiberglass to steel, changing  
13 the truck's horsepower (HP) from 250 HP to 245 HP, changing the trucks' battery capacity from  
14 1875 to 1850, and by changing the trucks' outriggers from A-Frames to X-Frames.<sup>17</sup>

15 10. Despite these deviations, on February 11, 2013, GPA's bid evaluation committee  
16 recommended that these deviations were acceptable and the committee recommended re-  
17 awarding the IFB contract to MID PAC FAR EAST. This recommendation was approved by  
18 Melinda R. Camacho, P.E., GPA's Assistant General Manager of Operations, and by Joaquin C.  
19 Flores, P.E., GPA's General Manager.<sup>18</sup>

20 11. On February 12, 2013, the CCU, which serves as GPA's governing board, found the  
21 procurement of the two (2) bucket trucks from MID PAC FAR EAST to be reasonable and  
22 prudent, and the CCU authorized GPA's management to purchase two (2) bucket trucks from  
23 MID PAC FAR EAST for the amount of \$471,500.<sup>19</sup>

24 12. On February 13, 2013, GPA awarded the IFB contract to MID PAC FAR EAST by  
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27 <sup>16</sup> Id., and GPA Memorandum dated February 11, 2013, page 19, TAB 5, and  
Testimony of Jimmy Pangelinan, GPA Fleet Services Manager, December 16, 2013.

28 <sup>17</sup> Letter dated January 31, 2013 from Mark S. Cruz, MID PAC FAR EAST Sales  
Manager, to Joaquin Flores, GPA General Manager, page 21, TAB 8, Id.

<sup>18</sup> GPA Memorandum dated February 11, 2013, page 19, TAB 6, Id.

<sup>19</sup> CCU Resolution No. 2011-41 Amended, page 16, TAB 5, Id.

1 the issuance of Purchase Order No. 19011 for the amount of \$471,500 for two (2) bucket trucks  
2 priced at \$235,750 each.<sup>20</sup>

3 13. MID PAC FAR EAST subsequently delivered the bucket trucks to GPA, received its  
4 payment, and the bucket trucks are currently operating in GPA's vehicle fleet.<sup>21</sup>

5 14. On or about August 7, 2013, GPA published a press release concerning its new  
6 bucket trucks which stated that they cost \$236,000 each, that they were manufactured by  
7 International/Altec and that MID PAC FAR EAST provided extensive training to GPA on the  
8 operation and maintenance of the trucks.<sup>22</sup>

9 15. On or about August 8, 2013, MORRICO's President, Allan Morrison, read the GPA  
10 Press Release regarding the bucket trucks GPA procured from MID PAC FAR EAST and filed a  
11 protest with GPA concerning this procurement, twelve (12) days later, on August 20, 2013.<sup>23</sup>

12 16. MORRICO's protest alleged: (1) That MID PAC FAR EAST's bid did not  
13 comply with and was unresponsive to the IFB; (2) That the bucket trucks MID PAC FAR EAST  
14 provided GPA were not the same trucks that MID PAC FAR EAST offered in its bid; and (3)  
15 The bucket trucks supplied by MID PAC FAR EAST did not comply with the IFB's color  
16 specifications.<sup>24</sup>

17 17. On October 15, 2013, GPA denied MORRICO's protest. Although GPA agreed with  
18 MORRICO that originally, MID PAC FAR EAST's bid was a different manufacturer than the  
19 manufacturer of the bucket trucks it delivered, GPA stated that when the original low bidder  
20 FAR EAST EQUIPMENT LLC defaulted on delivery, GPA contacted the next lowest  
21 responsive bidder, MID PAC FAR EAST and inquired whether they would still honor the  
22 original bid price they submitted, and that MID PAC FAR EAST agreed to do so but requested  
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24 <sup>20</sup> GPA Purchase Order No. 19011 dated January 24, 2013 and signed by Joaquin  
Flores, GPA General Manager on February 13, 2013, page 8, TAB 3, Id.

25 <sup>21</sup> Testimony of Jimmy Pangelinan, December 16, 2013

26 <sup>22</sup> GPA Press Release dated August 7, 2013, *New Bucket Trucks Added to Utility  
Fleet*, Pacific Daily News Website, Exhibits B and C, Notice of Procurement  
Appeal filed on October 30, 2013

27 <sup>23</sup> Testimony of Allan Morrison, MORRICO's President, December 16, 2013, and  
MORRICO's Protest Dated August 20, 2013, Exhibit D, Notice of Procurement  
Appeal filed on October 30, 2013

28 <sup>24</sup> Id.

1 deviations which GPA determined that the revised submission still met the requirements of the  
2 original bid submission. GPA found that MORRICO's allegations that the bucket trucks did not  
3 meet the IFB's specifications had no factual basis and GPA denied MORRICO's protest on this  
4 ground. GPA also found that MORRICO'S protest was untimely because MID PAC FAR EAST  
5 delivered the bucket trucks prior to MORRICO's protest.<sup>25</sup>

6 18. On October 30, 2013, fifteen (15) days after GPA issued its Protest Decision,  
7 MORRICO filed this appeal.

### 8 9 **III. ANALYSIS**

10 Pursuant to 5 G.C.A. §5703, the Public Auditor shall review GPA's October 15, 2013,  
11 Decision denying MORRICO's August 20, 2013 Protest *de novo*. As a threshold matter, the  
12 Public Auditor must first determine if GPA's denial of MORRICO's protest on the grounds that  
13 it was untimely was correct.  
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#### 15 16 **A. MORRICO's Protest was Timely.**

17 GPA's initial finding that MORRICO's protest was untimely has no merit. As stated  
18 above, GPA found that MORRICO's protest was untimely because MID PAC FAR EAST  
19 delivered the bucket trucks prior to MORRICO's protest. However, whether an item or service  
20 has been received by the purchasing agency is not the legal standard to determine whether a  
21 protest is timely. Protests shall be filed with the purchasing agency fourteen (14) days after the  
22 protestor knows or should have known of the facts giving rise thereto. 5 G.C.A. §5425(a) and 2  
23 G.A.R. Div. 4, Chap. 9, §9101(c)(1). Applying this standard to this matter, the Public Auditor  
24 finds that MORRICO could not have known about GPA's Award of the IFB to MID PAC FAR  
25 EAST any earlier than August 7, 2013, which is the date GPA issued the press release regarding  
26 its receipt of the bucket trucks from MID PAC FAR EAST because GPA failed to issue any  
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25 GPA's Protest Decision dated October 15, 2013, page 1, TAB 1, Procurement Record filed on November 8, 2013

1 notices whatsoever to MORRICO or any of the other bidders of the termination of its contract  
2 with FAR EAST EQUIPMENT LLC, its formation of an evaluation committee to review MID  
3 PAC FAR EAST's bid, and its subsequent re-awarding of the IFB contract to MID PAC FAR  
4 EAST.<sup>26</sup> As a result of GPA's failure to issue these notices to the other bidders, the Public  
5 Auditor finds that Allan Morrison, MORRICO's President, had no way of knowing about GPA's  
6 re-award of the IFB contract to MID PAC FAR EAST, until he read GPA's Press Release in the  
7 Pacific Daily News on August 8, 2013. Thus, the Public Auditor finds MORRICO's protest was  
8 timely because it was filed just twelve (12) days later on August 20, 2013, which is well within  
9 the fourteen (14) day protest deadline established by 5 G.C.A. §5425(a) and 2 G.A.R. Div. 4,  
10 Chap. 9, §9101(c)(1). The Public Auditor will now review the merits of MORRICO's August  
11 20, 2013 Protest.

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13 **B. GPA's Re-Award of the IFB Contract to MID PAC FAR EAST violates Guam's**  
14 **Procurement Laws and Regulations.**

15 GPA's denial of MORRICO's protest on the grounds that it re-awarded the IFB contract  
16 to the next lowest bidder which was MID PAC FAR EAST has no merit. Generally, in the event  
17 that a successful bidder fails to complete delivery of supplies or services as required in the  
18 contract between such vendor and the Government of Guam, the Government of Guam may  
19 proceed to procure such supplies or services from the next lowest bidder who is able to deliver  
20 such supplies or services. 5 G.C.A. §5212(d). Here, as stated above, FAR EAST EQUIPMENT  
21 LLC defaulted on the IFB contract resulting in GPA terminating it. GPA then turned to the  
22 second lowest bidder to re-award the IFB contract and this is where GPA erred. Here, as stated  
23 above, the IFB expressly states that award shall be made to the lowest responsible and responsive  
24 bidder, whose bid is determined to be the most advantageous to the government, taking into  
25 consideration the evaluation factors set forth in the IFB. This IFB provision complies with  
26 Guam Procurement Law and Regulations which mandate that an IFB contract must be awarded

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28 <sup>26</sup> Testimony of Allan Morrison, MORRICO'S President, Testimony of Jaime Pangelinan, GPA Supply Management Administrator, and Testimony of Jimmy Pangelinan, GPA's Fleet Services Manager, December 16, 2013

1 with reasonable promptness by written notice to the lowest responsible bidder whose bid meets  
2 the requirements and criteria set forth in the invitation for bids. 5 G.C.A. §5211(g) and 2  
3 G.A.R., Div. 4, Chap. 3, §3109(n)(1): Here, although MID PAC FAR EAST submitted the  
4 second lowest bid, the Public Auditor finds that its bid was nonresponsive. As stated above, the  
5 IFB specifications required the bidders to bid bucket trucks with aerial platform having a  
6 polyethylene liner with a 69KVAC rating. Further, as stated above, GPA specifically found that  
7 the bucket trucks bid by MID PAC FAR EAST did not meet this specification and it rejected  
8 MID PAC FAR EAST's bid for this reason. MID PAC FAR EAST could have filed a protest on  
9 this rejection but did not, and its rejection on this ground is final. Thus, the Public Auditor finds  
10 that the next lowest bidder whose bid met the requirements and criteria set forth in the IFB was  
11 MORRICO, and GPA violated the terms of the IFB, and 5 G.C.A. §5211(g) and 2 G.A.R., Div.  
12 4, Chap. 3, §3109(n)(1) by re-awarding the IFB Contract to MID PAC FAR EAST, whose bid  
13 could not be the second lowest bid because it was rejected by GPA as being non-conforming to  
14 the IFB specifications. Further, the Public Auditor finds, pursuant to 5 G.C.A. §5212(d), that the  
15 re-award of the IFB contract must be made to MORRICO as it is the next lowest bidder whose  
16 bid meets the requirements and criteria set forth in the IFB. As the Public Auditor has found that  
17 GPA could not re-award the IFB contract to MID PAC FAR EAST, MORRICO's remaining  
18 arguments concerning the late, post-bid modifications GPA allowed MID PAC FAR EAST to  
19 make, are moot and will not be reviewed.

### 21 **C. The Re-Award of the IFB Contract to MID PAC FAR EAST Must Be Terminated**

22 MORRICO argues that the re-award of the IFB Contract to MID PAC FAR EAST must  
23 be terminated.<sup>27</sup> The Public Auditor Agrees. If after an award it is determined that an award of a  
24 contract is in violation of law, if the person awarded the contract has not acted fraudulently or in  
25 bad faith, the contract may be terminated and the person awarded the contract shall be  
26 compensated for the actual expenses reasonably incurred under the contract, plus a profit, prior

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28 <sup>27</sup> Page 8, MORRICO's Arguments and Remedies Brief, filed on December 18, 2013.



1 to termination. 5 G.C.A. §5452(a)(1)(ii) and 2 G.A.R., Div. 4, Chap. 9, §9106(a)(ii). As stated  
2 above, GPA violated the terms of the IFB, and 5 G.C.A. §5211(g) and 2 G.A.R., Div. 4, Chap. 3,  
3 §3109(n)(1) by re-awarding the IFB Contract to MID PAC FAR EAST. Further, the Public  
4 Auditor finds that although GPA personnel may have been negligent in selecting the next lowest  
5 bidder after FAR EAST EQUIPMENT LLC defaulted on the IFB Contract, there is no evidence  
6 of bad faith on the part of MID PAC FAR EAST, who appears to have merely responded to  
7 GPA's erroneous selection of the next lowest bidder. Accordingly, pursuant to 5 G.C.A.  
8 §5452(a)(1)(ii) and 2 G.A.R., Div. 4, Chap. 9, §9106(a)(ii), GPA's re-award of the IFB Contract  
9 to MID PAC FAR EAST is hereby terminated, and GPA shall compensate MID PAC FAR  
10 EAST for its actual expenses reasonably incurred under the contract, plus a profit, prior to this  
11 termination. The Public Auditor further finds, based on the testimony of GPA's Fleet Services  
12 Manager and GPA's Supply Management Administrator, that MID PAC FAR EAST has  
13 possibly received its full compensation for the bucket trucks that it delivered to GPA under the  
14 IFB contract, and if this is so, no further compensation is due and owing to MID PAC FAR  
15 EAST under the IFB contract.<sup>28</sup>

16 GPA argues that MORRICO is not entitled to any remedies because MID PAC FAR  
17 EAST has delivered the bucket trucks, GPA paid for them, and because GPA has no intention of  
18 procuring any additional bucket trucks under the IFB contract.<sup>29</sup> However, the Public Auditor  
19 finds this argument to be disingenuous. First, the record does not support this argument. As  
20 stated above, the IFB solicited for two (2) bucket trucks that would be delivered in two-hundred-  
21 forty (240) calendar days after the award of the IFB contract, and it solicited for an additional  
22 two (2) bucket trucks, for each of three (3) Option Years 2013, 2014, and 2015. Hence, the IFB  
23 contract is a multi-year contract and not limited to the initial delivery of two (2) bucket trucks.  
24 Additionally, the CCU specifically found that GPA, prior to receiving the two (2) bucket trucks

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26 <sup>28</sup> Testimony of Jimmy Pangelinan, GPA's Fleet Services Manager, and Testimony  
27 of Jaime Pangelinan, GPA's Supply Management Administrator, December 16,  
2013.

28 <sup>29</sup> Lines 7 through 11 and 15, page 2, GPA's Remedies Brief, filed on December  
18, 2013.

1 provided by MID PAC FAR EAST, had a fleet of twenty-four bucket trucks, and that fourteen  
2 (14) of these bucket trucks are more than ten (10) years old, and that eight (8) of these trucks are  
3 constantly out of service for various maintenance and repair issues.<sup>30</sup> Hence, the Public Auditor  
4 finds that it is still likely that GPA may need additional bucket trucks in the remaining 2014 and  
5 2015 Option Years of the IFB contract. Second, and most troubling, is the testimony of GPA's  
6 Supply Management Administrator who, as set forth above, stated that GPA never intended to  
7 purchase any bucket trucks from the successful bidder during any of these options years. The  
8 Public Auditor does not find this statement credible. GPA is reminded that one of underlying  
9 policies of Guam's Procurement Law and Regulations is to ensure the fair and equitable  
10 treatment of all persons who deal with the Government of Guam's procurement system. 5  
11 G.C.A. §5001(b)(4) and 2 G.A.R., Div. 4, Chap. 1, §1102(3). Additionally, in negotiating,  
12 performing, or administering its contracts, GPA must act in good faith. 5 G.C.A. §5003 and 2  
13 G.A.R., Div. 4, Chap. 1, §1105. GPA would be violating the aforementioned policy and the  
14 requirement to act in good faith if it intentionally forced the bidders to unnecessarily divulge  
15 their prices for the bucket trucks they were bidding for the three (3) Option Years that the bid  
16 after the bid was awarded. Thus, the Public Auditor finds that the appropriate remedy is to  
17 require to GPA to award the remaining option years of the IFB contract to MORRICO, pursuant  
18 to 5 G.C.A. §5212(d), because MORRICO was the next lowest responsive bidder after GPA  
19 terminated the IFB contract with FAR EAST EQUIPMENT LLC Should GPA require and have  
20 the funding to procure additional bucket trucks in 2014 and 2015, it should exercise its options  
21 for those years under the IFB contract and procure them from MORRICO.

#### 22 23 **IV. CONCLUSION**

24 Based on the foregoing the Public Auditor hereby determines the following:

- 25 1. MORRICO's August 20, 2013 Protest was timely.
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30 CCU Resolution No. 2011-41 Amended, page 16, TAB 5, Procurement Record  
filed on November 8, 2013

1           2. GPA violated the terms of the IFB, and 5 G.C.A. §5211(g) and 2 G.A.R., Div. 4,  
2 Chap. 3, §3109(n)(1) by re-awarding the IFB contract to MID PAC FAR EAST, whose bid could  
3 not be the second lowest bid because it was rejected by GPA as being non-conforming to the IFB  
4 specifications.

5           3. MORRICO's Appeal is hereby SUSTAINED.

6           4. No later than thirty (30) days after this Decision is issued, pursuant to 5 G.C.A.  
7 §5212(d), GPA must re-award of the IFB contract to MORRICO because it is the next lowest  
8 bidder whose bid meets the requirements and criteria set forth in the IFB.

9           5. Pursuant to 5 G.C.A. §5452(a)(1)(ii) and 2 G.A.R., Div. 4, Chap. 9, §9106(a)(ii),  
10 GPA's re-award of the IFB contract to MID PAC FAR EAST is hereby terminated, GPA shall  
11 compensate MID PAC FAR EAST for its actual expenses reasonably incurred under the  
12 contract, plus a profit, prior to this termination.

13           6. The Public Auditor finds that MORRICO is entitled to its reasonable costs incurred in  
14 connection with the IFB's solicitation and MORRICO's protest, excluding attorney's fees,  
15 pursuant to 5 G.C.A. §5425(h), because there was a reasonable likelihood that MORRICO may  
16 have been awarded the contract because it had the second lowest bid but for GPA's violations of  
17 Guam Procurement Law and Regulations as set forth herein. GPA may object to MORRICO's  
18 cost demand by filing the appropriate motion with the Public Auditor no later than fifteen (15)  
19 days after MORRICO submits such cost demand to GPA.

20           This is a Final Administrative Decision. The Parties are hereby informed of their right to  
21 appeal from a Decision by the Public Auditor to the Superior Court of Guam, in accordance with  
22 Part D of Article 9, of 5 G.C.A. within fourteen (14) days after receipt of a Final Administrative  
23 Decision. 5 G.C.A. §5481(a).

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3 A copy of this Decision shall be provided to the parties and their respective attorneys, in  
4 accordance with 5 G.C.A. §5702, and shall be made available for review on the OPA Website  
5 [www.guamopa.org](http://www.guamopa.org).

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7 **DATED** this 24<sup>th</sup> day of January, 2014.  
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DORIS FLORES BROOKS, CPA, CGFM  
14 PUBLIC AUDITOR  
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