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DATE: 1/2/2015

TIME: 335 DAM XPM BY: M.B.

FILE NO OPA-PA: 14-010

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BEFORE THE PUBLIC AUDITOR PROCUREMENT APPEALS TERRITORY OF GUAM

IN THE MATTER OF MORRICO EQUIPMENT, LLC,

Appellant,

and

GUAM SOLID WASTE AUTHORITY UNDER THE MANAGEMENT OF FEDERAL RECEIVER GERSHMAN, BRICKNER AND BRATTON, INC.,

Purchasing Agency.

Docket OPA PA-14-010

REPLY IN SUPPORT OF MOTION TO DISMISS

REPLY

Pursuant to the Scheduling Order in the above referenced matter, GSWA hereby submits its Reply to Morrico's Opposition to GSWA's Motion to Dismiss.

I. GSWA'S MOTION WAS PROMPTLY AND TIMELY FILED.

Morrico's attempt to bring their improperly submitted protest and appeal within the OPA's jurisdiction requires a sloppy and unreasonable reading of Rule 12104(c)(9). GSWA's motion was timely, and in accordance with the rules because it was "promptly filed" contemporaneously with GSWA's first required response— the Agency Report and Agency Statement.

Title 2 G.A.R. § 12104(c)(9) requires that any "objection" to the Public Auditor hearing the Appeal be filed within seven (7) days after the Notice of the Appeal. Section 12104(c)(9) does not require any "motion" be filed within seven (7) days. The pertinent language provides:

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Any objection or motion addressed to the jurisdiction of the Public Auditor shall be promptly filed. Objection to the Public Auditor hearing the Appeal shall be filed within seven (7) days after the notice of Appeal is filed. The Public Auditor shall have the right at any time and on her or his own motion to raise the issue of its jurisdiction to proceed with an Appeal and shall do so by an appropriate order.

2 G.A.R. § 12104(c)(9). GSWA filed a motion, not an objection. The motion was filed concurrently with the Agency Report and Agency Statement—the first response and filing of an agency in a procurement appeal. Rule 12104(c)(9) did not require the motion to be filed within 7 days, and such a requirement cannot be implied from its construction.

Rules of statutory construction provide guidance in interpreting Rule 12104(c)(9). "In cases involving statutory construction, the plain language of a statute must be the starting point." *Pangelinan v. Gutierrez*, 2000 Guam 11 ¶ 23 citing *American Tobacco Co. v. Patterson*, 456 U.S. 63 (1982). Here, the first requirement is that both objections and motions regarding jurisdiction be "promptly filed." Imposing the seven (7) day deadline for "objections" on jurisdictional "motions" is contrary to the plain reading of the Rule 12104(c)(9) and any reasonable interpretation of it. The first sentence clearly references both objections and motions and requires they both be "promptly" filed. The second sentence blatantly omits any references to motions, and requires that an "objection" be filed within the specific time frame of seven days. It would be redundant for the two sentences to be read as one requirement - that both objections and motions be filed within seven days.

Further, "[a] statutory provision should be interpreted consistently and so as not to render another statutory provision, particular one concerning the same subject, null and void." Id. at ¶ 6. Here, reading the second sentence of 12104(c)(9) to require that "motions" in addition to "objections" be filed within seven days would render the first sentence of the rule superfluous, null and void. If it was intended that the seven days would apply to both objections and motions, it would have clearly stated so in the first sentence, and omitted the second sentence altogether.

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II. THE PUBLIC AUDITOR HAS THE RIGHT TO ADDRESS ITS JURISDICTION AT ANY TIME.

Regardless of Morrico's interpretation of Rule 12104(c)(9), the Supreme Court of Guam has ruled that "jurisdiction issues may be raised at any time." *Pacific Rock Corp. v. Dept. of Education*, 2001 Guam 21 ¶ 18. Indeed, Rule 12104(c)(9) states "[t]he Public Auditor shall have the right at any time and on her or his own motion to raise the issue of its jurisdiction to proceed with an Appeal and shall do so by an appropriate order." 2 G.A.R. § 12104(c)(9). (Emphasis added.) It would not make sense for the law to repeatedly reinforce early, prompt, expeditious dispute resolution of procurement protests, only for a rule to allow a protestor to drag out an untimely protest on a technicality. That is why the same rule Morrico erroneously relies on specifically provides that the Public Auditor has the right "at any time" to address the issue of its own jurisdiction. *Id.*

III. IT IS CONTRARY TO PUBLIC POLICY TO EXERCISE JURISDICTION OVER UNTIMELY PROTESTS.

Section 12103 states that "[t]he Public Auditor's jurisdiction shall be utilized to promote the integrity of the procurement process and the purposes of 5 GCA Chapter 5." *Id.* It is required by 5 G.C.A. Chapter 5 to dismiss untimely protests, and sound public policy to support such dismissal. It is clear that the intent of Guam's procurement law is to promote timely protests, and the expeditious resolution thereof. Unlike other statutes of limitation, procurement protests and appeal require short deadlines and prompt responses in order to expeditiously resolve disputes. *See* 5 G.C.A. Sections 5425(a),(c), and (e). This policy against unnecessary delay of territorial procurement is echoed in the mandate to the Public Auditor to "adopt rules of procedure, which, to the fullest extent possible, will provide for the expeditious resolution of controversies in accordance with the requirements of this Chapter." 5 G.C.A. § 5701. (Emphasis added.) Thus, the exercise of jurisdiction over an untimely protest does not promote the integrity nor purposes of 5 G.C.A. Chapter 5.

IV. MORRICO'S PROTEST WAS UNTIMELY AND THE MATTER IS NOT PROPERLY SUBMITTED TO THE OPA.

Turning towards the actual merits of the Motion, Morrico's appeal must be dismissed because it was not timely filed and not properly submitted before the OPA. Morrico does not dispute that the actual notice at the pre-bid conference that the conventional cab was not acceptable and did not meet the cab forward specification. Morrico instead argues that their protest is timely because they could not know a specification would be removed until told so in writing. However, this is the whole point of the "should have known" standard. It requires reasonable and prompt action, and does not allow Morrico to plead ignorance based on inapplicable language within the IFB – the "Explanation to Bidders" clause.

The "Explanation to Bidders" language does not render Morrico's actual notice "meaningless." See Opposition of Morrico Equipment, LLC, to GSWA Motion to Dismiss, p.5. The language clearly states that "Oral explanations or instructions given before the award of the contract will not be binding." Ms. Ibanez' verbal and unambiguous "no" in response to whether conventional cabs were acceptable was undoubtedly "actual notice" that a conventional cab would not be acceptable. It was not an "explanation" nor "instruction" "regarding the meaning or interpretation of the Solicitation, drawings, specifications[.]" Id. at p. 4. GSWA was not being asked what cab forward meant, or how to interpret it. It was merely confirming that the specification called for a cab forward, not a conventional cab, design.

Morrico's reliance is unreasonable. Therefore, it bears repeating. Morrico's reading of the Reservations Clause to waive its actual notice is unreasonable because a plain reading of the language illustrates it does not apply to Morrico's protest, and applying it would lead to illogical results. First, the Reservations Clause only applies to discrepancies in made in actual bids, which GSWA could waive post-bid and pre-award. There was no actual bid to waive any discrepancy. In any event, there was no discrepancy. A discrepancy would exist if the IFB called for a cabforward design and a conventional cab design. The IFB did not.

Morrico merely relies on the "reservations clause" to argue it could not know "for sure" until GSWA put it in writing. "There can only be one event, and not a series of events, which triggers the right to protest." Guam Imaging Consultants, Inc. v. Guam Memorial Hospital Authority, Superior Court of Guam Case No. CV798-03, Decision and Order, p.8 (Aug. 27, 2003). Here, that one event was GSWA's unequivocal refusal to accept bids with conventional cabs. Therefore, the OPA should find that this refusal at the pre-bid conference was both actual and constructive notice which should have prompted Morrico to file a timely protest.

CONCLUSION

Morrico's arguments are not rooted in law. Morrico does not deny actual notice, just essentially argues that it is unfair to apply it to the timing of their protest. It was clear and unequivocally communicated at the pre-bid conference that a conventional cab was not acceptable to meet the cab forward specification. Morrico failed to file a timely protest, and this matter should be dismissed so as to not further and unnecessarily delay the procurement.

Respectfully submitted this 2nd day of January, 2015.

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