

GOVERNMENT OF GUAM  
OFFICE OF THE GOVERNOR  
AGANA, GUAM

*Rec'd 81-110  
21 Order - 81-14*

EXECUTIVE ORDER NO. 81-12

TO INSTITUTE ECONOMY MEASURES  
WITHIN THE EXECUTIVE BRANCH

WHEREAS, for fiscal year 1982, estimated cash outlays exceed projected government revenues by \$17.7 million; and

WHEREAS, continued operation of the government at existing levels will result in serious financial distress during fiscal year 1982; and

WHEREAS, it is now essential that the government actively pursue a course directed at substantial reductions in expenditures; and

WHEREAS, the government must immediately implement cost savings measures in order to avoid severe financial problems;

NOW, THEREFORE, I, PAUL M. CALVO, Governor of Guam, by virtue of the authority vested in me by the Organic Act of Guam, do hereby order as follows:

- I. With respect to all departments, autonomous agencies, public corporations, boards, and commissions of the Executive Branch:
  1. A postponement of all reclassifications, meritorious salary increases, and salary increments until further notice.
  2. A freeze on all new hiring until further notice. Filling of necessary vacancies shall be reviewed and approved by the Bureau of Budget and Management Research.
  3. Effective December 1, 1981, except as to personnel critical to public health, safety, and welfare, a reduction of work hours from 40 hours per week to 35 hours per week with a proportionate reduction in salary until further notice to the extent permitted

by law. While work hours of employees are reduced, department and agency heads shall schedule workdays such that hours of service to the public are maintained at current levels. For example, agencies currently providing services Monday through Friday, 8:00 a.m. to 5:00 p.m. shall maintain those hours, and agencies providing 24-hour service shall continue to do so.

4. The use of vehicles operated at government expense or owned by the government shall be curtailed except as necessary for public health, safety, and welfare. The Director of Public Works shall establish guidelines for use of government vehicles. He shall implement measures to reduce fuel consumption by 10%.
5. Each autonomous agency, public corporation, board, and commission shall submit to the Bureau of Budget and Management Research, within 30 days, its staffing pattern, its most recent audited financial statement, and its budget as approved for fiscal year 1982. All applications for federal aid programs shall be reviewed by the Bureau of Budget and Management Research.

II. With respect to all departments and agencies, including the University of Guam, the Guam Community College, and the Guam Memorial Hospital Authority, but exclusive of other autonomous agencies, public corporations, boards, and commissions within the Executive Branch:

1. All requisitions and/or purchase orders which exceed \$1,000 shall be reviewed and approved by the Bureau of Budget and Management Research.
2. The Director of Administration shall examine each department of the Executive Branch and recommend to the Governor measures which can be instituted to reduce unnecessary expenditures.

3. The Director of Administration and the Director of the Bureau of Budget and Management Research shall recommend to the Governor methods of reorganizing the Executive Branch which would reduce cost and maintain efficiency.

III. Specific guidelines for the implementation of these economy measures will be issued within 5 days and are incorporated herein by reference.

Promulgated on October 19, 1981 at Agana, Guam.



PAUL M. CALVO  
Governor of Guam

GOVERNMENT OF GUAM

AGANA

OCT 20 1981

CIRCULAR NO. 81-110

Memorandum

To: All Department and Agency Heads

From: The Governor

Subject: Institution of Economy Measures within the Executive Branch

On October 19, 1981, I issued Executive Order No. 81-12 which is the catalyst for a program directed at significant reductions in expenditures within the Executive Branch. It is anticipated that the government will experience a \$17.7 million shortfall in revenues during fiscal year 1982. This is a problem which must be addressed immediately.

I have explored and exhausted many other alternatives before instituting those measures found in the Executive Order. Although the measures I am instituting may appear to be harsh, they are necessary and will result in substantial saving to the government. The impact of these measures on expenditures will depend, to a great extent, on your cooperation and support.

Please review the Executive Order and the Guidelines very carefully and immediately implement the provisions contained therein. All departments, autonomous agencies, semi-autonomous agencies, and public corporations in the Executive Branch are affected by Executive Order 81-12. There shall be no exceptions or exemptions except as clearly specified in the Executive Order and the Guidelines.

The Director of the Bureau of Budget and Management Research and my staff are willing to answer any questions.

Your support and cooperation is appreciated.



PAUL M. CALVO

Attachments

SPECIFIC GUIDELINES FOR IMPLEMENTATION OF EXECUTIVE ORDER NO. 81-12

Section One: Handling of Personnel Actions

A. Filling of Existing and New Vacancies:

All new and vacant positions shall be frozen immediately. Agencies desiring to fill positions vacant after October 1, 1981 must request exemptions to fill such vacancies. These requests for exemptions must be reviewed by the Bureau of Budget and Management Research and approved by the Governor. Agencies shall be prohibited from filling any vacancy without adhering to this policy. Any action in violation of this guideline is null and void.

Exemptions shall be determined on a case by case basis and shall be allowed only with adequate justification and under the following circumstances:

- a) The position is critical to the department's operation and failure to fill such a position shall result in the program and/or agency's inability to fulfill major program or departmental objectives and/or tasks which need to be performed. The requesting department/agency shall submit a listing of the tasks which the employee shall be required to perform, the program affected, and other appropriate data to substantiate the "critical need" for filling the position.
- b) The position is fully funded (100%) by the federal government and approved in the federal grant application and/or by federal officials as verified in writing.

- c) The position is considered vital for the provision of essential functions directly related to public health, safety, or welfare.
- d) The position is a "key" technical position needed to insure that the government improves revenue generating programs and/or perform urgent program and policy-making functions.
- e) The position is required to be filled by local or federal law or by contract.

B. Meritorious Salary Increases and Reclassifications

All pending or anticipated reclassifications and/or meritorious salary increases shall be postponed indefinitely.

C. Salary Increments

All salary increments due to employees effective as of the start of the new fiscal year, October 1, 1981, shall be postponed indefinitely.

D. Promotions

All promotions shall be deferred indefinitely except as required to fill positions which become vacant after October 1, 1981.

Section Two: Travel Requests

All off-island travel shall be frozen unless specifically exempted. Government employees/board members shall not be permitted to attend any conference which is less than 4 days in duration. All air travel taken by government employees and board members shall be based on economy, apex or excursion fare. No more than one traveler shall be allowed to attend the same conference.

Persons on government travel shall be allowed to claim only the following basic expenses:

- 1) air fare
- 2) per diem at rate authorized
- 3) registration/conference fee

Reimbursement for transportation funding under the miscellaneous category shall not be allowed. Requests for miscellaneous expenses in a travel authorization shall not be approved by the Bureau of Budget and Management Research except for a justifiable purpose. Agencies shall also insure that travel taken is in conformity with Executive Order No. 81-6 (issued on August 12, 1981) and the Governor's memorandum 81-80 issued on September 1, 1981.

All travel requests shall be submitted to Bureau of Budget and Management Research for review at least ten (10) days prior to the commencement date of travel.

The standards for evaluating such travel shall include the following:

- (a) Travel is essential to the conduct of pending or important government business. (This shall include the accompanying of

patients and/or inmates off-island.)

- b) The travel may result in the securing of additional revenues to Guam or in cost-savings for government operations.
- c) The travel is required as per existing contract, public law, rules or regulations.
- d) The travel is 100% federally funded, is important for the conduct of the agency's affairs, and has been identified in the agency's grant application or approved by the federal government, and the grant award has been received by the agency.
- e) Sufficient funding is available and has been released under the agency's allotment.

Section Three: Overtime and Night Differential Pay

All agencies are requested to minimize the scheduling of employees which may result in their accrual of overtime or night differential payment.

Overtime payment should be used as a management tool of last resort.

Agencies which have budgeted for overtime shall submit for approval to the Bureau of Budget and Management Research within 60 days from the issuance of these guidelines an overtime proposal reflecting the following:

- a) names, position titles, pay ranges and salaries of persons who may need to perform overtime work;
- b) amount anticipated to be paid for such overtime work;
- c) justification and purpose for the overtime;
- d) sum budgeted for the overtime work.

Standards for the review of overtime shall be as follows:

- 1) overtime is authorized for the agency and is fully budgeted.
- 2) overtime work is essential to the performance of a major agency objective or is of an emergency nature (rash of crime incidence, typhoon, flooding, power outages, accidents, etc.).

#### Section Four: Implementation of 35-Hour Work Week

A general policy of a 35-hour work week shall be implemented by all Government of Guam agencies except for those employees whose positions are specifically exempted.

Agencies shall implement the 35-hour work week requirement without disrupting their regular services. It is suggested that employees be allowed overlapping work week schedules which shall permit government offices and services to continue to be provided on a five-day, 8:00 a.m. - 5:00 p.m. basis.

Agencies which shall be allowed to have employees exempted from the 35-hour work week requirement shall establish that their services are directly related to the public health, safety, and welfare.

Those agencies requesting exemption shall submit copies of their staffing patterns, a list of names, position titles and salaries of employees affected, and justification as to need within 15 days. This listing shall be reviewed and approved on an individual basis by the Bureau of Budget and Management Research and only the names of those persons authorized to work a 40-hour work week shall be authorized for official payroll processing.

The implementation of the 35-hour work week program shall commence on December 1, 1981.

Section Five: Contracts

All contracts must be reviewed by the Bureau of Budget and Management Research. Additionally, agencies must insure that all rules, regulations and procedures affecting such contracts have been complied with or are addressed. After review by the Bureau, such contracts shall be submitted to the Attorney General and the Governor for approval. All contracts shall be submitted for review at least 30 days prior to their effective date.

A. Office Space Contracts

All agencies which have new or expiring office space rental contracts shall submit copies of their bid proposals, or existing contracts, and appropriate documents indicating how their office space needs were determined (a floor and office space plan indicating number of rooms needed, room size and floor space square footage needed). All proposed office contracts or renewal requests must be submitted to the Bureau of Budget and Management Research for review and approval by the Governor 30 days prior to the submission of bid proposals or expiration date of existing contracts.

The standards which shall govern the review of such contracts are as follows:

- 1) Office space requirements proposed are in harmony with the spirit of the austerity program in that:
  - a) space requested is minimum space needed by the agency.
  - b) agency has selected the lowest responsible bidder.
  - c) adequate funding has been appropriated.

B. Procurement Contracts

All agencies shall submit procurement contracts for review by the Bureau of Budget and Management Research and approval by the Governor.

Such contracts must be accompanied by the following:

1. a copy of the bid specifications; and
2. a copy of the prior year's agreement if a renewal is sought; and
3. evidence that adequate funding has been appropriated (budget and allotment schedule) and justification for the procurement contract; and
4. justification showing that procurement through contractual arrangements is more cost-effective than direct purchasing by the agency.

C. Personal Service Contracts

All employment contracts shall be reviewed by the Bureau of Budget and Management Research and approved by the Governor. Such contracts shall be in compliance with existing law and policies.

Agencies shall submit the following documents in support of such contracts:

1. explanation as to the need for a contract rather than utilization of the normal recruitment procedures; and
2. evidence that funding for the position is budgeted and authorized.

D. Contracts for Services and all Other Contracts

Agencies seeking to enter into other types of contractual arrangements shall be required to submit contract proposals to the Bureau for review along with corresponding documentation indicating the following:

1. Inability to perform services contracted in-house; and

2. Appropriate documentation indicating how cost estimates for the proposal were derived and some form of a cost-benefits assessment.
3. That adequate funding is available to develop and complete the contract terms.

Section Six: Federal Grant-in-Aid Programs

Those agencies having federal/local match programs which expect large federal budget cuts shall develop immediate contingency plans to modify the scope of their programs and reduce their budgets in areas which shall allow them to salvage the substance of their programs. In reducing their budgets, off-island travel shall be given the lowest priority.

Section Seven: Purchase or Rental of Equipment and the Purchase of Supplies

All agencies shall refrain from purchasing any of the following items:

- 1) office furniture.
- 2) office equipment (desks, chairs, etc.) meant for individual employees' offices/rooms.

The purchase or lease of vehicles shall be severely restricted.

Any and all purchase orders and/or requisitions for supplies and equipment which exceed the "aggregate" sum of \$1,000 shall be reviewed and approved by the Bureau of Budget and Management Research. This provision shall apply to:

- a) the purchase of a single piece of equipment and/or supplies which costs in excess of \$1,000.
- b) the purchase of pieces of equipment or supplies which are functionally related and which together exceed the total cost of \$1,000.
- c) a series of requisitions and/or purchase orders for supplies or equipment which exceed the total sum of \$1,000.

Section Eight: Monitoring Requirements for Autonomous, Semi-Autonomous Agencies and Entities

All autonomous agencies, semi-autonomous agencies, public corporations, commissions, and boards shall be required to submit quarterly cash flow statements, financial statements, and updated staffing patterns to the Bureau of Budget and Management Research. Agencies shall also submit copies of their official fiscal year 1982 budget to the Bureau within 30 days.

These entities are hereby directed to develop and submit a cost containment plan to the Bureau of Budget and Management Research within 60 days for approval.

These cost containment plans shall identify specific policies and procedures for minimizing expenditures in the following areas:

- 1) personal services
- 2) travel
- 3) equipment
- 4) supply
- 5) miscellaneous
- 6) contractual

These entities shall be required to adhere to the following guidelines:

- 1) Filling of existing and new vacancies - see Section One of these Guidelines.
- 2) Meritorious Salary Increases, Salary Increments, Reclassifications, and Promotions - see Section One, Parts B, C, and D of these Guidelines.
- 3) Travel policies - see Section Two of these Guidelines.
- 4) Overtime and night differential pay - see Section Three of these Guidelines.

- 5) Implementation of a 35-hour work week - see Section Four of these Guidelines.
- 6) Federal Grant-in-Aid programs - all applications for federal aid programs shall be reviewed by the Bureau of Budget and Management Research.
- 7) Review of requisitions, purchase orders and equipment. All autonomous agencies shall be exempted from this provision except the University of Guam, the Guam Community College, and the Guam Memorial Hospital Authority.

Section Nine:      Miscellany

The Director of the Bureau of Budget and Management Research is authorized to establish such other procedures, guidelines, and policies as necessary to carry out the provisions and intent of Executive Order No. 81-12.