WHEREAS, the Section 30 advanced allotment of $22 million for FY83 was completely depleted during the first quarter of this Fiscal Year; and

WHEREAS, expenditures for the first quarter have adversely affected the second quarter's allotment balance; and

WHEREAS, estimated cash outlays for the remainder of the fiscal year will exceed projected revenues by almost $17 million; and

WHEREAS, the government is now considering loans and other drastic measures to avoid financial disaster; and

WHEREAS, it is imperative that the government effect substantial reductions in expenditures; and

WHEREAS, the government must immediately implement cost-saving measures to avoid severe financial crisis; and

WHEREAS, all previous executive orders and circulars should be consolidated into one document to assure compliance;

NOW, THEREFORE, I, RICARDO J. BORDALLO, Governor of Guam, by virtue of the authority vested in me by the Organic Act of Guam, do hereby order as follows:

I. Handling of Personnel Actions:

A. Filling of Vacancies: Agencies desiring to fill positions vacant after February 1, 1983, must request exemptions to fill such vacancies. These requests 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 under the following circumstances:

1. 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.

2. 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.

3. The position is considered vital for the provision of essential functions directly related to public health, safety, or welfare.

4. 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.

5. The position is required to be filled by local or federal law or by contract.

B. Promotions: All promotions will be reviewed on a case by case basis by the Bureau of Budget and Management Research and approved by the Governor.

II. Travel Requests: All off-island travel shall be frozen unless specifically exempted. Government employees/board members shall not be permitted to attend any conferences which is less than four (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) working days prior to the commencement date of travel.

The standards for evaluating such travel shall include the following:

1. Travel is essential to the conduct of pending or important government business. (This shall include the accompanying of patients and/or inmates off-island.)

2. The travel may result in the securing of additional revenues to Guam or in cost-savings for government operations.

3. The travel is required as per existing contracts, public law, rules or regulations.

4. 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.

5. Sufficient funding is available and has been released under the agency's allotment.

III. 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. Payment for overtime claim shall be prepared only if they are properly documented and presented within two (2) weeks after the overtime work was performed and after an approved Overtime Plan has been approved by the Bureau of Budget and Management Research. Overtime payment should be used as a management tool of last resort. Agencies which have budgeted for overtime shall submit for approval an Overtime Plan to the Bureau of Budget and Management Research within sixty (60) days from the issuance of this Order an overtime proposal reflecting the following:

1. names, position titles, pay ranges and salaries of persons who may need to perform overtime work;
2. amount anticipated to be paid for such overtime work;
3. justification and purpose for the overtime;
4. 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.)

IV. Contracts: Notwithstanding the provisions of Executive Order 83-002, all contracts must be reviewed by the Bureau of Budget and Management. 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 thirty
(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 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 thirty (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; and
   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 approved 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 contracts; and

4. justification showing that procurement through contractual arrangements is more cost-effective than direct purchasing by the agency.

C. Personnel Services 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 has been released by the Bureau of Budget and Management Research to provide full encumbrance of the contractual obligation.
4. Contractual commitments shall only be for the term of the fiscal year unless exempted by
the Bureau of Budget and Management Research and approved by the Governor.

V. 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 budget levels, off-island travel shall be given the lowest priority.

VI. Purchase or Rental of Equipment and the Purchase of Supplies: All agencies shall refrain from purchasing office furniture and other office equipment (desks, chairs, etc.). The purchase or lease of vehicles shall be reviewed by the Bureau of Budget and Management and approved by the Governor.

Any and all purchase orders and/or requisitions for supplies and materials shall be reviewed and approved by the Bureau of Budget and Management Research.

VII. 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 1983 and 1984 budget to the Bureau within thirty (30) days from date of this Order and subsequent operational budget requests by January 31st of each year thereafter.

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

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

1. Personnel 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. Promotions - see Section One, Part B 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. Federal Grant-in-Aid programs - all applications for federal aid programs shall be reviewed by the Bureau of Budget and Management Research.
6. Review of requisitions and purchase orders. All autonomous agencies shall comply with this Executive Order.

VIII. 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 this Executive Order.

Executive Orders and Circulars on all austerity measures, with the exception of Executive Order 83-02, are hereby superceded.
Promulgated this 7th day of February, 1983, at Agana, Guam.

RICARDO J. BORDALLO
Governor of Guam

COUNTERSIGNED:

EDWARD D. REYES
Lieutenant Governor