



**EDDIE BAZA CALVO**  
GOVERNOR

**RAY TENORIO**  
LIEUTENANT GOVERNOR



**JAMES W. GILLAN**  
DIRECTOR

**LEO G. CASIL**  
DEPUTY DIRECTOR

February 23, 2012

Honorable Vicente (ben) C. Pangelinan  
Chairman, Committee on Appropriations,  
Taxation, Public Debt, Banking, Insurance, and  
Land.  
324 W. Soledad Ave. Suite 100  
Hagatna, Guam 96910

Dear Senator  Pangelinan:

I have a copy of your letter to the Governor expressing your concern over the termination of the contract with GGARP/SPIMA for Senior Center Operations.

Your second paragraph takes the Governor to task over what you think is action targeting our Senior Citizens. I want to clarify two things. The Governor is not targeting Senior and would never do so. There have been arrangements made to ensure that the Centers are in full operation on 1 March, 2012. That has always been the main focus of our actions; no Senior Citizen would have a gap in the daily routine at the Centers which you state is so important. Secondly sir, the decision to look for other avenues to conduct the operations of the centers was mine. Governor Calvo has given me his trust and confidence that I will perform my duties diligently, with compassion, but at all times to recognize the dire financial situation that the Government faces.

As early as October, 2011, the staff of the Division of Senior Citizens went to every vendor and contractor of services provided under the various DSC programs. Because the budget ceiling set by the Administration, and the budget bill passed by the Legislature forced us to lower our projections of funds to carry out our programs, we asked the vendors to work with DSC to find ways to meet the new and lowered ceilings. As you well know, they responded positively and worked out acceptable ways for us all to live within our means. Indeed, even the staff of GGARP/SPIMA prepared five scenarios in October that would accommodate the lower budget. We were informed however, that the Board of GGARP/SPIMA rejected the scenarios and insisted that we keep to the contract. This contract, for some reason spanned two Fiscal years and has an end date February 29, 2012.

Our sense then was that we should be looking for another contractor who might be willing to operate the Centers program with the estimated amounts that we would have starting March 1, 2012. We wanted a seven month arrangement so that any new agreement would have an October 1, 2012 start date. The mayor's Council of Guam was approached and they were very responsive and enthusiastic about the prospect. We were equally pleased as we would assure that there would be no lapse in the program since we could execute a Memorandum of Understanding with the Council. The avenue was necessary since we did not have enough time to develop a request for Proposal or Bid and to be able to execute a contract as a result of an award by March 1.

Approximately two weeks ago, members of the GGARP/SPIMA staff and the Board met with me in my office. They indicated that they were willing to accept the lower monthly amount. I value the service given by GGARP/SPIMA and I told them so, but that I was concerned that we would not be able to go forward with them due to the termination date of the contract. I also indicated that we were in discussions with the Mayor's Council. I did agree that I would explore ways to extend the current contract on a month to month basis. I did not promise that this could be done. Over the last two weeks I have consulted the Attorney General's Office, the Governor's Legal Counsel and GSA, to determine if there was a way to extend the contract. All advice was negative. As a result of those determinations, I felt I had no recourse but to write to Pilar Lujan, President of GGARP/SPIMA, to let her know that we could not continue the contract.

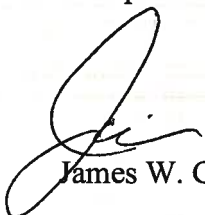
You are not quite accurate in your statement that we terminated the contract. The fact is, the contract terminates on 29 February, there is no provision for extension, and most importantly, we took what I feel is every reasonable action to ensure that services to the Centers are available on 1 March.

I can only assume from your letter that you did not have all the facts, because there seem to be some serious omissions of the history of events regarding this matter, and the budget challenges we all face.

Senator, I have known you for almost 30 years and admired your intelligence, and your zeal to serve the people. I am hopeful that we can come to a quick resolution of our differences, while at the same time staying fiscally responsible. All of us have to share in the outfall of these difficult financial times. We have a solution, and the Department will be happy with any vendor of the services to the Senior Centers, as long as said service can be in place by 1 March.

I want to reiterate: the decisions made relative to GGARP/SPIMA and the Mayor's Council were mine. Please do not take the Governor to task for this. And should you choose to write to me Ben, please spell my name right.

Best personal regards,



James W. Gillan