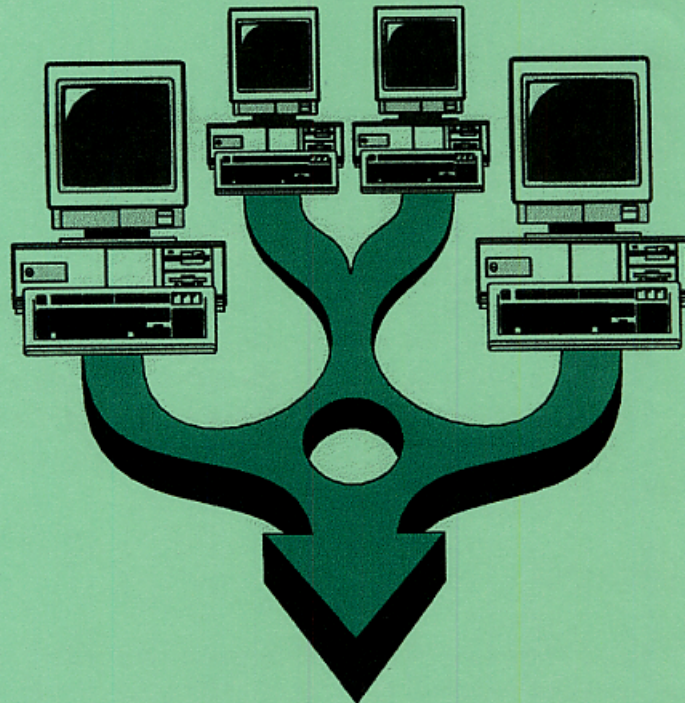

**GOVERNMENT OF GUAM: Year 2000
Computer Compliance Assessment**



OFFICE OF THE PUBLIC AUDITOR
Government of Guam

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OVERVIEW

GOVERNMENT OF GUAM: YEAR 2000 COMPUTER COMPLIANCE ASSESSMENT

SUMMARY

The Office of the Public Auditor conducted an assessment of all three branches of the government. The main objective of this assessment is to make the people of Guam be aware of the Y2K issues and that they comply in addressing the problems of Y2K through our recommendations.

Our scope covered the critical systems (i.e. hospital, utilities) to transportation (travel, aviation and safety) on to finance departments, and others institutions and included the Legislative and Judicial branches of the government. The assessment results disclosed that progress may be overly optimistic and several concerns remain unaddressed. These concerns were lack of centralized guidance, contingency plans, and inadequate funds to replace equipment or fix software or to validate corrective actions claimed by agencies or vendors.

The overall results disclosed that departments and agencies are either Y2K compliant or are just starting to address the problem. We have ten months to fix our problems, and that is not enough time to fully complete corrections. Assessment needs to continue. Managers need to realize that Y2K is an organization problem and cannot be left to the Information Technology personnel. Every employee needs to be aware of the problems he or she may encounter in their work or personal life and make contingency plans for possible failure of computers, and any equipment that has embedded computer chips (i.e. traffic lights, elevators, vehicles). However, we can note that contingency plans are being developed. Despite its late start and the limited time left, the government is beginning to address the Y2K problems. Executive Order No. 98-31 created a Year 2000 Council which is the lead organization to assist, develop and implement programs and plans and to prioritize the Government of Guam's responses, in cooperation with the private sector.

GOVERNMENT OF GUAM: YEAR 2000 **COMPUTER COMPLIANCE ASSESSMENT**

INTRODUCTION

In the past electronic computers were not a necessity in Guam. They were working tools for companies that could afford them. Gradually, their importance increased.

Today, computers play a major role in our daily lives. We use them for business purposes, personal home usage, electronic games, medical use, telecommunications, finance, aviation, and many other areas for the sole purpose of making life easier. Guam faces a tremendous challenge as it prepares its computer systems for the Year 2000 problem because of our greater dependence upon computers.

DEFINITION

The Year 2000 Computing Problem presents itself in Guam in many various ways. The definition of Year 2000 Bug (also known as the Y2K or millennium bug) is a severe threat, which has the potential to confuse a high percentage of computers, computer systems, and machines that depend on a computer chip. When the year 2000 arrives, millions of computers and computer chips will believe, to operate and operate under the assumption that, it is actually the year 1900. This may cause computers, computer systems, and machines to miscalculate information, malfunction or shut down altogether. To further complicate the situation, many systems may not be able to recognize that the year 2000 is a leap year.

HISTORY

The Year 2000 Computing Problem came about years ago, when programmers were very conscious of memory space due to its limitations and extreme cost to expand (in 1970, 1MB cost over \$3 million). Programmers decided to store the year value in two digits instead of four (e.g. 1974 would be stored as 74). At the time, the decision saved millions of dollars; however, as the new millennium approaches, this simple problem will confuse millions of computer systems, with varied results.

MEANING AND IMPACT

The meaning and the impact would interpret that a data mismatch can exist in any level of hardware or software such as micro-codes, application programs, files, databases, etc. In the first quarter of the year 2000, a company may not be able to properly process its 1999 end-of-year billing or end-of-year payroll, which would lead to a number of problems. Corporate credit card holders may be refused most transactions because their

accounts would appear delinquent. The 1999 year-end profits may not be calculated properly. Utility companies may cut off services to homes and businesses due to apparent late bill payments. All of these represent general scenarios of what could happen.

PROBLEM OVERVIEW

The Y2K bug will affect every kind of information system software such as applications, operating systems, utilities and databases. It will also affect software running on most hardware platforms from PC's to mainframes. Computer hardware is also affected by the Y2K problem in a form of a built-in-clock. Y2K problems must be dealt with immediately to avoid devastating effect on virtually every business. Compliance criteria are key concepts that will guide Y2K conversion efforts. Compliance should be a balance between low risks and low cost, and measured against the following main objectives:

Objective 1.

We must eliminate the Y2K risk. Elimination should be based on a business viewpoint of what is important to correct relative to the different event horizons for failures

Objective 2.

We must maintain current operations. An organization's operations should continue without interruption during the changes to ensure that they have a minimum effect on productivity

Objective 3.

We must minimize conversion cost and resources that are directed at the Y2K effort.

Y2K RAMIFICATIONS

The Y2K bug is a formidable problem with a fixed deadline, which cannot be circumvented. In its basic structure, the problem is simple, however, the sheer magnitude of the underlying problem makes it difficult to solve. All software on all sizes of hardware platforms is affected. Some of today's software is still not Y2K compliant, which means that older applications are only part of the problem. Legal risk control should be a central component of Y2K solutions, as a department or agency's failure to focus on related legal issues may cost the company more than just fixing the problem. The basis for lawsuits may include breach of warranty or representation, fraud, actions under consumer protection laws, and suits for managerial negligence. Dozens of lawsuits have already been filed in U.S. Courts mostly focusing on who will pay for Y2K repairs and the damages resulting from Y2K failures.

FINANCIAL IMPACT

The financial effect of the Y2K is impossible to accurately assess, but it falls into three major categories. They are the following:

1. The cost of estimating, fixing, and testing the problem
2. The cost of litigation for damages that result from not finding the problem.
3. The cost of failed operations that results from inadequate testing.

The cost of fixing the problem has been estimated at being between \$200 to \$300 billion in North America and as high as \$600 billion worldwide. Litigation costs are estimated to be as high as \$1 trillion. Damages may include lost cost, products, customers, time and opportunity (for more information, please check website address www.y2k.gov).

GUAM'S AWARENESS OF YEAR 2000 COMPLIANCE

GOVERNOR'S MEMORANDUM – "Y2K PROBLEM"

The Government of Guam first addressed Y2K in May of 1998 when Governor Carl T.C. Gutierrez issued a memorandum on Year 2000 Compliance. The memorandum stated that Bureau of Information Technology (BIT) would do a government wide survey assessment. Response to the survey was poor, and no summary report was issued. The May memorandum also mentions the creation of a Y2K task force. The task force's responsibility was to test, make corrections and certify each hardware and software system in the agency. Interestingly, a Government of Guam Y2K Web site was to be created in order to assist departments and agencies. However, the web site as of yet has not been established. The memorandum also states that BIT would provide assistance to agencies and arranging training to the information personnel. This also has not occurred. Finally agencies were to coordinate Y2K repair estimates to the Bureau of Budget and Management Research to include expenses in the Fiscal Year 1999 budgets. We do not believe Y2K budget requests have been communicated to the Legislature in any coordinated, focused manner.

EXECUTIVE ORDER NO. 98-31

Executive Order No. 98-31: "Guam's Awareness of Year 2000 Compliance," and was promulgated by Governor Carl T.C. Gutierrez on December 4, 1998. Its stated purpose is to create a year 2000 Council (Council) and to designate the Council as the lead organization to assess potential threats, to develop and implement programs and plans and to prioritize the Government of Guam's responses, in cooperation with the private sector, to the Year 2000 problems. (see the attached Executive Order at Exhibit B). Y2K council members have been appointed and have met once. Subcommittee members were appointed February 3, 1999 but have not yet meet.

GENERAL ACCOUNTING OFFICE (GAO) /FEDERAL GUIDELINES

In addressing the standard for assessment, the Office of the Public Auditor (OPA) used the General Accounting Office and Federal Guidelines relating to Y2K issues. The main objective of the standard is to assure that the Government of Guam's departments and agencies are Year 2000 Compliant. Secondly, the departments and agencies must provide reasonable assurance that their systems will function correctly after January 1, 2000. It involves the Generic Test Scenarios which is the rollover to January 2000. It involves Business Specific Test Scenarios on whether businesses can operate on the first day of the year of 2000. Finally, from a technical standpoint, the System Specific Test Scenarios are used to validate extended semantics such as the date 9/9/99 meaning "does not expire." GAO emphasized that all Y2K test must have a framework for disciplined as well as structured testing procedures. It consists of five levels of testing activity with continuous management oversight and control. They are awareness, assessment,

renovation, validation and implementation. (for more information, please check website address : www.y2k.gov)

ASSESSMENT

In order to gain a more thorough understanding of the Year 2000 problem and the steps that the Government of Guam is taking, OPA has taken a role in addressing the Year 2000 issues. Governor Guterrez was notified on November 12, 1998 that an assessment was to be conducted by our office. In December of 1998, Mr. Al Erguiza began a government wide assessment through the use of management interviews, telephone communication, and direct interviews with Management Information Systems personnel dealing with Y2K. This included a review of applicable laws, regulations and other background information pertaining to how government agencies and departments have addressed the Year 2000 issues. They are categorized as follows:

- I. **CRITICAL SYSTEMS**
- II. **EMERGENCY SYSTEMS**
- III. **TRANSPORTATION**
- IV. **FINANCE**
- V. **MILITARY INSTITUTIONS**
- VI. **EDUCATIONAL INSTITUTIONS**
- VII. **LEGISLATURE**
- VIII. **JUDICIARY**
- IX. **STATISTICS**

Departments and agencies contacts responded verbally for the most part. Where an immediate response to our questions could not be given, time was allowed for research to be done and written responses to be prepared. The last response was received on February 10, 1999.

I. CRITICAL SYSTEMS

The Critical Systems are perhaps the most important systems of all because they deal with the life support environment. It is structured to the well being of preserving human life expectancy. The government departments and agencies that were addressed were the following:

1. Guam Memorial Hospital Authority (GMHA)

The GMHA is organized into two separate computer divisions, administration and Bio-Medical (life support) systems. The Bio-Medical (Life Support) Services Division, is the most critical of the two as it regulates and monitors all life support systems throughout the Hospital's facility. As of January 26, 1999, our preliminary assessment of these systems disclosed that 95% of all the Bio-Medical equipment are Year 2000 compliant. The remaining 5% are expected to be compliant by the end of July 1999.

The critical areas that the Administrative Division must identify and update for Y2K compliance are its client history files, billing and payroll systems. In addressing these administrative areas, GMHA has engaged the contractual services of an outside vendor who not only must determine whether the systems currently being used are Y2K compliant, but must also fix, update and certify that all systems are in compliance and meet federal requirements. As of January 1999, 70% of all the Information Systems Hardware, software, operating systems, applications, data and interfaces with external and external systems are Year 2000 ready. The remaining 30% are expected to be compliant by May of 1999. In the event that GMHA's Administrative Division does not meet the prescribed deadline, the Hospital will adopt and implement its contingency plan. Basically, the Hospital will perform all administrative services manually for a certain period, during which all efforts will be employed to enable the Hospital's computer system to meet its Y2K certification (see the attached memo at Exhibit C).

2. Department of Public Health & Social Services (DPHHS)

Like GMHA, DPHHS also addresses the human health environment. Of all the divisions evaluated, the Public Welfare division was found not to be Y2K compliant as it is currently undergoing renovation until March 1, 1999. DPHHS is required to be Y2K compliant before October of 1999 under U.S. Department of Health and Human Services based upon the guidelines from the General Accounting Office.

DPHHS's critical issue in addressing the Y2K certification requirement is the funding that is needed. Management of DPHHS is of the opinion that if monies are not allocated in the amount required, then the whole entire DPHHS's operation will be crippled. This would include DPHHS satellite offices in both the Northern and Southern Region of Guam. DPHHS estimates that \$ 3,381,000 is required to enable DPHHS to comply with Y2K (for more information on GAO guidelines, please visit website address www.y2k.gov).

3. Guam Waterworks Authority (GWA)

Based on an interview and comments submitted by the Assistant General Manager of GWA, the department does not anticipate being Y2K compliant until October 31, 1999. GWA began addressing its Y2K certification issues 18 months ago. Despite not being Y2K Compliant, GWA has a well supported backup system. Water Wells are GWA's main concern area. As stated by the assistant General Manager, these water wells run manual operation and do not operate through a computer chip. The department is confident in addressing all the concerns (if any) since a similar incident, where operations were completely manual, had occurred back in 1995 (see the attached memo at Exhibit D).

4. Guam Power Authority (GPA)

Electricity plays a critical role in our daily lives. We are dependent on it to run our lights, appliances and computer equipment. Without electricity, a majority of all our systems would simply shut down unless a generator is used for backup. For this reason, the Guam Power Authority is listed as one of the critical systems for compliance.

Based upon our interview with the Computer Services Manager, GPA's computer division is segregated into two sectors. They are the administrative services section and the engineering/ power plant division. The administrative service section, which runs the payroll and the billing program, have been addressed by GPA and meet the Y2K certification requirements. Their contingency plan, should it be employed, will be to run all services manually while addressing the computer problems until it is Y2K compliant.

The engineering/power plant computer division is being addressed by GPA management. In this division, the Tangission Power plant is being privately managed by an outside company, Hawaiian Electric. The other power plants are locally run by GPA. As of February 1999, a disclosure was made that GPA is currently seeking assistance in evaluation, testing, and certification of the Generation and Transmission/Distribution areas. Their projected date of contractual agreement is March of 1999 (see the attached memo at Exhibit E).

5. Guam Telephone Authority (GTA)

Communications is also another major part of the critical systems assessment. Areas such as the GMHA and other emergency systems all depend on communicating as a life saving mechanism. According to the Data Processing Manager of GTA, all financial systems employed by the department are Y2K compliant. The AS400 computer systems are anticipated to be compliant by September of 1999, however, the 911 emergency system is currently being addressed by GTA, GPD, GFD and Civil Defense. As of February 10,

1999, GTA as not provided the status of the compliance of the computer systems that operate the phone systems. GTA expects to be fully compliant by September 1999 (see the attached memo at Exhibit F).

II. EMERGENCY SYSTEMS

This area basically addresses the 911 telephone emergency hotline system. The departments involved include Civil Defense, Guam Fire Department and the Guam Police Department.

1. Civil Defense

Civil Defense plays a critical role in our lives as they provide crucial life saving information pertaining to natural disasters, or any man made destruction by alerting the people of Guam on the need for safety and caution. Civil Defense has been addressing the Y2K issues that affect their systems. They recently performed an inventory of all electronic systems employing the General Accounting Office website for their source reference materials. This website was also used to validate their electronic systems. Presently, the 911 system is being upgraded in order to be compliant. Its scheduled completion date is set for August of 1999 (see the attached status report at Exhibit G).

2. Guam Fire Department (GFD)

As with Civil Defense, the GFD's 911 emergency line is also currently being addressed. Both systems are operated by the same systems manager. GFD's 911 system is non-Y2K compliant. The GFD's Integrated Emergency Communications Systems such as Smartnet Group, Global Positioning System and the local Geographical Information System are also being addressed, however, no specific timeframe for completion was identified. No contingency plan has been established for all 911 systems (see Executive Summary at Exhibit H).

3. Guam Police Department (GPD)

GPD is currently taking action in upgrading its computer systems. The payroll operating system and administrative services database are Y2K compliant through the General Accounting Office's reference Website. However management is of the opinion that financial constraints prevent the 911 operating system from being Y2K compliant.

The 911 emergency line for GPD is currently inoperable and has not been repaired due to procurement contract problems. The only established contingency plan, as stated by its MIS manager, is to run its operations manually (see Executive Summary at Exhibit F).

III. TRANSPORTATION

This basic concern of this subject area is travel safety. The departments addressed were Guam International Airport Authority, Guam Mass Transit Authority, Department of Public Works and Port Authority of Guam.

1. Guam International Airport Authority (GIAA)

GIAA is the gateway to where "America's Day Begins!" It is the connecting point to the Western United States for many Asian countries. GIAA has been addressing the Year 2000 issues as it affects its operations and services. Both the Federal Aeronautics Aviation (FAA) and Department of Transportation (DOT) have been assessing and testing all critical and non-critical devices employed. They have been addressing these concerns since 1998. Overall, GIAA's systems meet Federal requirements since both the FAA and DOT have taken a proactive role in its operation. No contingency plans have been identified (see memorandum at Exhibit I).

2. Guam Mass Transit Authority (GMTA)

According to the MIS Manager of GMTA, all issues pertaining to Y2K certification are being addressed at the present time. Despite GMTA not viewed as a critical systems provider, they still provide public transportation. Their radio services to buses are Y2K compliant. The only factor of concern is that the Public Transit Computer Systems are not Y2K compliant due to outdated hardware equipment. The contingency plan is to have budgeted monies available for purchases of compliant hardware systems under the emergency procurement program if in fact an emergency situation is declared (see memorandum at Exhibit J).

3. Department of Public Works (DPW)

The major critical area of DPW focuses on the operation of traffic lights. According to the Electronic Technician Supervisors, they have stated that 20% of the traffic lights are Y2K complaint. Presently DPW has a contract proposal that addresses the concern, however, management has not proceeded with an award. The contingency plan is to basically remove the computer chip and any related intricate parts from the traffic light and let it operate manually. No timeframe was mentioned.

4 Port Authority of Guam

According to the Systems Manager, Port Authority of Guam will be Y2K compliant because of a new contractual agreement (signed on January 26, 1999) that addresses the concerns. It is anticipated to be compliant and federally certified on or before of April 15, 1999 which also includes the certification. The full implementation deadline will be October of 1999. In case of a declared emergency, the established contingency plan would be to use Government of Guam's procurement procedures to acquire compliant systems.

IV. FINANCE

In any established institution, whether government or private operation, monetary funds are a basic necessity for operations. The Government of Guam relies on departments such as the Guam Finance Commission, Bureau of Budget & Management Research, Department of Administration, Government of Guam's Credit Union and Department of Revenue & Taxation. It also depends upon the private financial institutions in the community at which the government accounts are located and through which revenues and federal grants pass through.

1. Guam Finance Commission

Prior to the creation of the Y2K Council, the very heart of addressing the Year 2000 compliance issues rested within this agency and its subsidiary, the Bureau of Information Technology. The Y2K Council along with the Guam Finance Commission are key player in insuring that Guam as a whole is in compliance. Due to their level of importance, the agency itself must be and is Y2K complaint. Their assessment and tests were provided by the Bureau of Information Technology and is said to meet federal standards.

2. Department of Administration (DOA)

DOA maintains the payroll system that processes the salaries of approximately ten thousand government employees. According to DOA's data processing manager, the payroll system is Y2K compliant. They meet the certification standards according to International Business Machines (IBM) which also addresses the federal requirements. The only loophole within the system is that the personnel record database is non-Y2K compliant. It is, however, properly supported by hard copies of all documents.

3 Bureau of Budget & Management Research (BBMR)

BBMR serves as the support staff of the Governor for financial decision making. In this highly regarded department, the Bureau is in the test mode for addressing the Basic Operating System (BIOS) in order to be Y2K compliant. The estimated date for BBMR to be compliant will be March of 1999. There is no contingency plan because all of the financial records and transactions are supported by hard copies of documentation.

4. Department of Revenue & Taxation (DRT)

DRT plays a major role in the financial System of the Government of Guam through the assessment and collection of revenues from taxes and certain fees. They support the government through collection and fund transfers in order to allow the government to financially function. However, based upon the analysis of the MIS director, the department itself is behind schedule with its addressing of the Y2K issue. They lack a funding source to purchase new equipment needed to replace outdated equipment. Presently, they are trying to complete the upgrade of desktop computers. The estimated timeframe is October of 1999.

5. Government of Guam Credit Union

The Government of Guam Credit Union has been addressing the Year 2000 Compliance since the early part of 1998. They have taken measures by the use of internet websites to address the issues of Y2K. Their next procedure is to meet the criteria and address the federal requirements. The Government of Guam Credit Union has had the assistance of the Federal Credit Bureau who is on hand to address the issues and make the necessary corrections (if any). Their contingency plan involves the processing of all transactions manually (see memorandum at Exhibit K).

IV. MILITARY INSTITUTIONS

1. Department of Military Affairs / Guam National Guard

The Department of Military Affairs (Guam National Guard) is one of the agencies that has been addressing the Year 2000 issues aggressively. According to the Director of Information Management, Major Mark Calvo, the department is currently testing all programs and systems in order to be Y2K compliant. Major Calvo stated that they are outsourcing from local vendors and obtaining Federal assistance to address all of their systems in order that they all meet the federal requirements, however, they will not be fully compliant before year 2000. "Not everything will be ready. We must use the micro-management approach. The contingency plan is, "to have assurance that we will work (referring to the operations) and develop as we go along." A council has been established

and is meeting regularly. The Guam National Guard sponsored a Y2K training workshop and invited all Government of Guam agencies to participate. Many agencies sent representatives to the National Guard Bureau sponsored instruction, which lasted two days.

V. EDUCATIONAL INSTITUTIONS

Education has played an important role on the island of Guam. With knowledge and aspiration, it is the foundation of our success and future. In addressing the Y2K issues, the learning institutions such as University of Guam, Guam Community College and Department of Education are near complete in addressing the Year 2000 computing problem.

1. University of Guam (UOG)

UOG bears the distinction of being fully Year 2000 compliant. It claims it addressed all of Y2K issues two years ago. The programs, both hardware and software, have been assessed and certified by their associated vendor. They have met all the federal requirements through the approval of the U.S. Department of Education. In addition to meeting all its requirements, UOG also implemented a contingency plan in which is to run all student services manually. This also includes supported documentation to justify all of the student transactions.

2. Guam Community College (GCC)

Unlike UOG's timeframe in resolving their Y2K issues, GCC has just recently addressed theirs. According to the MIS Department chairperson, their computer division consist of Central Office /Student Division and Administrative Section. Both of these sections are currently below the Y2K standards. The MIS department chairperson states that due to the lack of funds, it is difficult to purchase computer upgrades. Therefore not all computers meet the Y2K requirement. There was no mention of a contingency plan.

3. Department of Education (DOE)

Overall, DOE is approximately eighty percent (80%) Y2K compliant as stated by the Director of Management Information Systems. According to the MIS Director, the major critical systems such as financial and human services are Y2K compliant. The student administration hardware and the library system, however, are not Y2K compliant. The vendor, who created both systems, is taking corrective action. They did not have a contingency plan because of assurances from their vendor, who has provided a guarantee on its actual performance. There is, however, a manual record established for the library books' log out procedures.

VI. LEGISLATURE

The Twenty-Fifth (25th) Guam Legislature is currently addressing the Y2K issues. According to the Management Information Systems Supervisor, the central office, which maintains their administrative systems, is Y2K compliant. They use internet websites as a basis for their certification procedures. The senators' workplaces, however, are not Y2K compliant. As of February 10, 1999, the MIS Supervisor is currently addressing the problem through the development of a contingency plan (see Executive Summary at Exhibit I.)

VII. JUDICIARY

The Judiciary (Supreme Court and Superior Court) has addressed the Year 2000 compliance issues since November 10, 1998. They have entered into a contractual agreement with a vendor to correct all the issues of Y2K. This includes all "methodology, solutions for defining, resolving, testing, and remediation of Y2K problems." Also, if any solution fails, the vendor will rectify and take corrective measures at no cost. In the area of contingency plans, the courts are claim they are addressing the situation.

VIII. STATISTICS

Statistics are crucial to the Government of Guam's database records. Access to historical, personnel and other related data are needed by all three branches of the government. Three agencies that maintain important statistics are the Department of Administration, the Department of Public Health and Social Services and the Civil Service Commission.

1. Department of Administration (DOA)

Overall, DOA's personnel records, as stated by the Data Processing Manager, are not in compliance with Year 2000 issues. The only supporting evidence are the hard file copies for each government employee. They do not have the proper hardware to support the program itself. Unlike the payroll system which has a contingency plan, this program does not. Currently, no contingency plan exists and it is unclear if hardcopy documentation is available.

2. Civil Service Commission

This agency is unique in the sense that they have been operating manually. All personnel records exist on hard copy. There is no computer usage for the maintenance of statistical data. Therefore, it will not affect any Year 2000 issue.

3. Department of Public Health & Social Services (DPHHS)

DPHHS is very similar with the Civil Service Commission in that their operating system is strictly manual. They have a stand-alone computer but basically it is for data input and storage of statistical data. Maintenance and processing of data is done manually.

ASSESSMENT FINDINGS & RECOMMENDATIONS

Finding 1. Centralized Guidelines

The Y2K issue is a far-reaching problem for all of the Government of Guam. We applaud the Executive Branch for taking the initiative to issue the May 21, 1998 Memorandum which brought the light the Government's centralized coordinated effort to address the issue. We noted, however, based upon our interviews with MIS officials from the various departments and agencies that from the period between May 21, 1998 to December 4, 1998, the date Executive Order 98-31 was issued, there was a lack of centralized guidance to direct MIS officials in addressing Y2K issues. As a result (1) MIS officials approached the issue individually and at a varied pace; (2) the types of corrective actions designed to address the issue were inconsistent possibly resulting in the inability of some departments and agencies to comply before the arrival of the year 2000.

Recommendation

We recommend that the newly appointed Y2K Council (created through Executive Order 98-31) convey to all departments and agencies their presence in order that a centralized coordinated effort exists for the Government of Guam. One of their first immediate tasks should be to conduct an assessment of their own to determine where each department and agency is in terms of addressing Y2K. Validation of agency claims and states is absent. Because of the varied pace taken by the different departments and agencies, timelines need to be developed and enforced by the Council. Furthermore, the Council should develop a standard for corrective actions needed to resolve the Y2K issue. Those corrective actions should meet the requirements established by the General Accounting Office and other relevant Federal guidelines.

Finding 2. Contingency Planning are Needed

With the arrival of the year 2000 being only ten months, the possibility exists that not all systems in the Government of Guam will be able to comply with Y2K. In the event of non-compliance, contingency plans need to be developed so that services and operations are not affected. Based on our interviews with MIS officials, we noted that not all departments and agencies have developed contingency plans.

Recommendation

We recommend that the Council require all departments and agencies to implement contingency plans. We also recommend that the Council evaluate these plans to ensure that service and operations are not interrupted. Every employee needs to be made aware of the Y2K issue and be encouraged to think about how it may affect every aspect of the work and personal life that computers and embedded computer chips now play.

Finding 3. Inadequate Funding

We noted, based upon the interviews, that departments and agencies were of the opinion that sufficient funds were not available to adequately address Y2K issues. As a result, efforts to address Y2K issues were placed in abeyance by many agencies.

Recommendation

We recommend that the Council, in conjunction with their assessment of the departments and agencies, determine if a lack of funds represent valid reasoning for placing efforts in abeyance. If it is determined that additional funds are required, a comprehensive total should be determined and addressed by the Council. Federal funding may be possible if local revenues are insufficient. Through the Office of Insular Affairs, the U.S. Department of the Interior has made limited funding available through a technical assistance grant for all insular areas.

EXHIBITS

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ROBERT G.P. CRUZ
PUBLIC AUDITOR

November 12, 1998

The Honorable Carl T.C. Gutierrez
Governor of Guam
Office of the Governor
P.O. Box 2950
Hagatna, Guam 96932

Re: Year 2000 Computing
Problem Assessment

Dear Governor Gutierrez:

Because of the far-reaching impact of the Year 2000 Computing Problem, federal, State, and local government auditors are becoming involved in assessing remediation efforts. Our office will be conducting a review of the progress that the Government of Guam is making towards identifying and correcting any deficiencies that may exist.

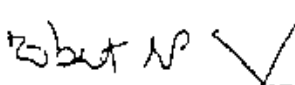
One of our priorities of work this fiscal year will be to do an assessment of the efforts to date. We are aware that there has been a Year 2000 (Y2K) Committee established and that your Bureau of Information Technology and the Guam National Guard have taken the lead in helping agencies address the problem.

We intend to complete an assessment of the work of all three branches of government, with a goal of providing an objective assessment of relative progress and making recommendations on what further actions ought to be taken in the thirteen months remaining before the full impact of this crisis is determined.

Our office has participated in the September workshop sponsored by the Department of Military Affairs, and in a forum held in Washington D.C. sponsored by the General Accounting Office to which federal, State, and local government auditors were invited. A copy of the GAO conference proceedings is provided.

Mr. Al Erguiza, a senior auditor in our office attended the Washington D.C. meeting and will conduct the assessment. We anticipate that it will begin on November 23, 1998 with agencies of the Executive branch, and continue with the Judiciary and Legislature. We appreciate the assistance given to us by your Bureau of Information Technology, and look forward to completing our assessment quickly, so that the information we obtain will be of use to everyone in our community. We ask for the cooperation of all agencies and seek your assistance in making certain it occurs.

Sincerely,


ROBERT G.P. CRUZ

cc: Speaker
Presiding Judge
Pat Cabrera, BIT



TERRITORY OF GUAM
OFFICE OF THE GOVERNOR
AGANA, GUAM 96910
U.S.A.

EXECUTIVE ORDER NO. 98-31

RELATIVE TO CREATING A YEAR 2000 COUNCIL (COUNCIL) AND TO DESIGNATE THE "COUNCIL" AS THE LEAD ORGANIZATION TO ASSESS POTENTIAL THREATS, TO DEVELOP AND IMPLEMENT PROGRAMS AND PLANS AND TO PRIORITIZE THE GOVERNMENT OF GUAM'S RESPONSES, IN COOPERATION WITH THE PRIVATE SECTOR, TO THE YEAR 2000 PROBLEM.

WHEREAS, many computer programs and date sensitive automation system used only two digits to designate years (i.e. "97" instead of "1997"); and

WHEREAS, this practice poses a serious challenge as the year "99" is followed by the year "00" because computers and their programs that are not updated to become "Year 2000 compliant" will read "00" instead of "2000", "01" as "1901"; and

WHEREAS, our entire community can expect to be affected by Y2K disruptions the same as any other community throughout the world; and

WHEREAS, the extent of the impact is difficult, if not impossible, to predict and may have short term to long term effects on our community as well as the quality of our lives and the island economy; and

WHEREAS, the Y2K problem has the potential to disrupt our daily activities, temporarily disable critical government services and infrastructure; and

WHEREAS, any disruption in the government's activities and vital services will lead to a disruption of private commercial activities thereby impacting all consumers and residents of Guam in general; and

WHEREAS, it is this Administration's goal that the government of Guam and the people of Guam will be ready to meet the technological and global challenges of the next millennium which begins in the Year 2000; and

WHEREAS, the Y2K issue is a significant factor in preparing to enter and meet the challenges of the next millennium;

NOW, THEREFORE, I, CARL T. C. GUTIERREZ, I Maga'lahaen Guåhan, Governor of Guam, by virtue of the authority vested in me by the Organic Act of Guam, as amended, do order:

1. Creation, chairs, and membership of Year 2000 Council. A Year 2000 council is created, comprised of Eleven (11) members, Nine (9) of whom shall be appointed by the Governor; One (1) of whom shall be a member representing the Judicial Branch, nominated by the head of that branch and appointed by the Governor; and One (1) of whom shall be a member representing the Legislative Branch, nominated by the Speaker and appointed by the Governor.

A Chair and Co-Chair/Technical Advisor and shall be appointed by the Governor from among the members. The Chair and Co-Chair/Technical Advisor shall ensure that the objectives, responsibilities, requirements, and scope of authority of the Council and mandates in this Executive Order are accomplished to the fullest extent possible. In addition, the



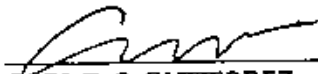
Chair shall have the authority to appoint Subcommittee Chairs, from among the members of the Council, to coordinate the following activities:

- a) private sector and community assessment, planning, implementation, coordination, and education.
- b) government of Guam training, assessment, planning, and implementation.

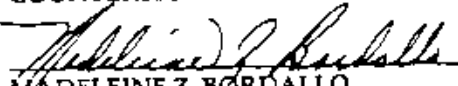
2. Responsibilities of the Council. The Council is responsible to:

- a) identify, to the greatest extent possible, all risks to public and private activities from the Y2K problem;
- b) evaluate and assess the potential and impact of these risks;
- c) develop and implement risk monitoring procedures;
- d) identify all necessary action required and subsequently implement all programs designed to eliminate as many risks, as possible, in advance;
- e) identify and implement programs to minimize the impact of these risks should they materialize;
- f) prepare a contingency plan to accomplish the following:
 - i) minimize the damage and the adverse financial impact to the government of Guam, to the private industry or the community, in general, from unresolved Y2K problems;
 - ii) minimize the damage to all public and private infrastructure from unresolved Y2K problems;
 - iii) optimize all recovery efforts in order to quickly recover from unresolved or unrepaired Y2K problems;
 - iv) reduce or eliminate potential litigation risks against the government of Guam, its agencies or instrumentalities;
 - v) coordinate all Y2K activities and their status with other governments and political entities;
 - vi) provide to the public all information on the status of the Council's efforts, their activities and all other information deemed necessary to fully inform concerned citizens of Y2K problems.

SIGNED AND PROMULGATED at Hagåtña, Guam this 4th day of December, 1998.


CARL T. C. GUTIERREZ
I Maga'lahañ Guåhan
Governor of Guam

COUNTERSIGNED:


MADELEINE Z. BORDALLO
I Segunda na Maga'lahañ Guåhan
Lieutenant Governor of Guam



Guam Memorial Hospital Authority Aturidåt Espetåt Mimuriåt Guåhan



850 GOV. CARLOS CAMACHO ROAD
OKA, TAMUNING, GUAM 96911
TEL: 647-2444 or 647-2330
FAX: (671) 649-0145

January 26, 1999

Al Erguiza
Senior Accountant
Office of the Public Auditor
Building 207, K Street, Tiyan Guam

Mr. Erguiza,

On December 7, 1998, during a meeting with you and the Guam Memorial Hospital Authority's technical staff, you requested for the Hospital's status on its efforts with the Year 2000 problem. Accordingly, the attached provides you with the Guam Memorial Hospital Authority's Year 2000 Compliance Fact Sheet and Year 2000 Compliance - Timeline.

To summarize the Guam Memorial Hospital Authority's Year 2000 status, I am happy to say that 70% of all the Information Systems Hardware, Software, Operating Systems, Applications, Data and Interfaces with internal and external systems are Year 2000 Ready and 95% of all the Bio-Medical (Life Support) Equipment and Devices are Year 2000 Ready. By the end of May 1999 the remaining 30% of all the Information Systems Hardware, Software, Operating Systems, Applications, Data and Interfaces will be Year 2000 ready and by the end of July 1999 the remaining 5% of all Bio-Medical (Life Support) Equipment and Devices will be Year 2000 Ready. All other Facility Support devices such as Elevators, Alarm Systems, Electrical Systems, Generators, Cooling Systems, Communication Systems and Heating Systems are all Year 2000 Ready with the exception of the 911/EMS system. The 911/EMS system will be replaced GOVGUAM wide by the new SmartNet system by end of September 1999 and is being coordinated by the Civil Defense and the Fire Departments.

If you have any questions please contact me at the numbers listed below. Thank you.

Sincerely,



VINCE QUICHOCHO

IS MANAGER

Tel. 647-2207

Fax: 649-5508



COMMONWEALTH NOW!



GUAM WATERWORKS AUTHORITY

GOVERNMENT OF GUAM

P.O. Box 3010, Agana, Guam 96932
Tel: (671) 647-7810 Fax: (671) 649-0369

January 5, 1999

TO: **Aristedes V. Erguiza**
Auditor III
Office of the Public Auditor
P O Box 23667
GMF, Barrigada Guam 96921

RE: **STATUS REPORT
YEAR 2000 COMPLIANCE**

Dear Mr. Erguiza

As per your visit in response to your inquiries, Guam Waterworks Data Processing Division would like to extend its status report on the Y2K compliance issue.

Unfortunately, Guam Waterworks Authority's existing System 36 unit is not Y2K compliant. In acknowledgment of this situation, we are in the process of upgrading our existing System 36 unit to the AS400 E Series unit with the use of the JD Edwards Financial Management Software Suite. This system will definitely solve any issues concerning the Y2K compliance issues & will eventually progress as our current networking system for the agency. The anticipated completion date for all software modules is set for summer of 1999.

Our RISC 6000 Minicomputer hardware is Y2K compliant and we are upgrading our software to a newer version to meet any Y2K challenges. As for our personal computers most of them are Y2K compliant and we do not anticipate any problems.

As for our emergency contingency plan we do have a routine daily backup procedure and should our hardware fail we can tap into other government utility agency to seek assistance in terms of hardware support

Guam Waterworks Authority would like to thank you for your concerns. If you have any questions or comments please feel free to contact me via phone or fax at the numbers provided above

Sincerely,

Joann Santos

Information Technology Department



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O. BOX 2977 • AGANA, GUAM U.S.A. 96910-2977

February 8, 1999

Mr. Aristedes V. Erguiza
Auditor III
Office of the Public Auditor
Government of Guam
P.O. box 23667
GMF, Barrigada 96921

Dear Mr. Erguiza:

This is in response to your inquiry on Guam Power Authority's preparedness for the Year 2000 (Y2K).

In reference to our main computer system, we are currently migrating from our IBM ES9000 mainframe computer to the IBM AS/400 model 620 that is certified to be Y2K compliant. Additionally, we are currently involved in a major Financial Management System implementation project. This entails implementing a suite of JDEdwards software applications to replace all of our legacy systems. JDEdwards is Y2K compliant. Our target date for completion is May 1999.

We are currently evaluating and testing our Personal Computers and networks throughout the agency.

Furthermore, we are currently seeking a firm experienced in utilities to assist in the evaluation, testing, and certification of our Generation and Transmission/Distribution areas. We hope to have a contract by the end of March. Our FY99 Budget does include funds for this purpose.

Our agency is very much aware of the importance of this matter and will make every effort to become Y2K compliant. As in other companies, the 'mission critical' concerns are given top priority with focus on contingency plans. Once we outsource these services, we should have more information with completion dates.

If you require more information on this subject, you may call Ms. Mary Taitague, our Computer Services Manager, at (671) 647-5790/91.

Sincerely,

RICARDO S. UNPINGCO
General Manager

cc: Mary Taitague



GUAM TELEPHONE AUTHORITY ATURIDAT TILIFON GUAHAN

Post Office Box 2108 • Tamuning, Guam 96921

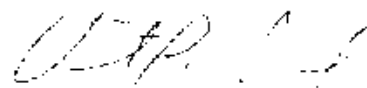
February 9, 1999

Aristedes V. Uguiza
Auditor III
OFFICE OF THE PUBLIC AUDITOR
Government of Guam
P.O. Box 27667
Dededo, Guam 96921

Hafa Adai

Attached is an updated response to your inquiry for information concerning our efforts for Year 2000 compliance.

We hope the attached responses provide you with enough information to help you better understand the threat posed by the Year 2000 problem to the nation's telecommunications infrastructure. Should you require additional information, please feel free to contact me.


VINCENT P. ARRIOLA
General Manager

Attachments - Year 2000 Readiness Disclosure

cc Chief Engineer
Finance Manager (Acting)
Data Processing Manager





GUAM TELEPHONE AUTHORITY

POST OFFICE BOX 9308 • TAMUNING, GUAM 96931

INFORMATION SYSTEMS DIVISION FACSIMILE TRANSMISSION COVER SHEET

DELIVER TO:

DATE: FEBRUARY 10, 1999	FACSIMILE NO.: 472-7951
NAME: Mr. Aracledes V. Laguarda, Auditor III	COMPANY: Office of the Public Auditor

TRANSMITTAL FROM:

NAME: Lulu Tojan	FACSIMILE NO.: (671) 647-1756
TITLE: UP Manager	TELEPHONE NO.: (671) 646-5981 / 2155

TOTAL NUMBER OF PAGES SENT INCLUDING THIS PAGE: 1 of 2

MESSAGE

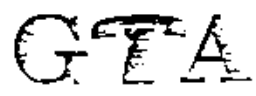
Please see Attached Letter. The original letter & the attachments for the Year 2000 Readiness Disclosure will be sent to you in the mail.

Should you have any questions, please feel free to contact our office.

If fax transmission is incomplete or illegible, please contact our office at the above number.



Commonwealth Now!



Guam Telephone Authority
Arriola, Wilson, Guinan

Post Office Box 9008 • Tamuning, Guam 96931 • Telephone: (671) 646-1427/5527 • Fax: (671) 649-GTA1(4821)
624 North Marine Drive, Tamuning, Guam 96911

June 8, 1998

William Howden
Common Carrier Bureau
Network Services Division
2000 M Street, N.W., Room 235
Washington, D.C. 20554

Dear Mr. Howden,

This is in response to your request for information concerning our efforts to prevent Year 2000 computer system failures. GTA has been working to identify potential problems associated with the Year 2000 for some time now and has established a timeline to remedy these problems. Early this year, GTA replaced all old Personal Computers with new PCs which are Year 2000 Compliant. We have scheduled to upgrade our AS/400 Computer System by September of this year and Switching Equipment by the end of this year to bring these systems to Year 2000 Compliance. Software Upgrades for applications on our AS/400 are scheduled to start upon completion of the AS/400 upgrade and will be Year 2000 Compliant by September 30, 1999.

We hope the attached responses provide you with enough information to help you better understand the threat posed by the Year 2000 problem to the nations' telecommunications infrastructure. Should you require additional information, please feel free to contact me.


VINCENT P. ARRIOLA
Interim General Manager

Attachment

cc: Chief Engineer
Finance Manager
Data Processing Manager



**Guam Civil Defense Office
Year 2000 Contingency Plan
Status Report**

Guam Civil Defense Office
Year 2000 Contingency Plan
Phase 1 - Computer Inventory

CPU Type Monitor Type	Serial Number	Location	HDD	FDD	RAM	CD	OS	Other Devices / Specialized Software	Internet Access (Y/N)	Internet Service	System Y2K Compliant (Y/N)
Dimension System P75 Intel Pentium 166 upgrade 23" ViewSonic Color Monitor Model 2182PS	W0960111 02-2182PS	Message Center Station 9 Check 411	1.2 GB IDE	1.44M	32M	4X	Win95	Combo 16/30 Ethernet Card (10BT, 10B2) APC 450 Back Ups Supervoice 34.4 kbps Modem Fax/Voice 3D Wave/able Sound Card - Speakers HP LaserJet 4100 - SN: 8075000000	YES	COG - G	NO
Dimension System P75 Intel Pentium 166 upgrade	W0960111	Hazard Office Station 12 Lobby Entrance	1.2 GB IDE	1.44M	32M	4X	Win95	Combo 16/30 Ethernet Card (10BT, 10B2) APC 450 Back Ups Supervoice 34.4 kbps Modem Fax/Voice 3D Wave/able Sound Card - Speakers Epson - G 4100 - SN: 1381225991	YES	COG - G	NO
Dimension System P75 Intel Pentium 166 upgrade 14" K1C Color Monitor Model 2182PS	W0960111 02-2182PS	Director Office	1.2 GB IDE	1.44M	32M	4X	Win95	Combo 16/30 Ethernet Card (10BT, 10B2) APC 450 Back Ups Supervoice 34.4 kbps Modem Fax/Voice 3D Wave/able Sound Card - Speakers	YES	COG - G	NO
Dimension System P75 Intel Pentium 166 upgrade 14" K1C Color Monitor Model 2182PS	W0960111 02-2182PS	Deputy Office Station 1 Rec. Room	1.2 GB IDE	1.44M	32M	4X	Win95	Combo 16/30 Ethernet Card (10BT, 10B2) APC 450 Back Ups Supervoice 34.4 kbps Modem Fax/Voice 3D Wave/able Sound Card - Speakers	YES	COG - G	NO
Dimension System P75 Intel Pentium 166 upgrade 14" K1C Color Monitor Model 2182PS	W0960111 02-2182PS	Comm. Office Station 8 Group 7 access	1.2 GB IDE	1.44M	32M	4X	Win95	Combo 16/30 Ethernet Card (10BT, 10B2) APC 450 Back Ups Supervoice 34.4 kbps Modem Fax/Voice 3D Wave/able Sound Card - Speakers HP LaserJet 4100 - SN: 8000000000	YES	COG - G	NO
Dimension System P75 Intel Pentium 166 upgrade 14" K1C Color Monitor Model 2182PS	W0960111 02-2182PS	Private Sec. Station 6 Tranny Jansen	1.2 GB IDE	1.44M	32M	4X	Win95	Combo 16/30 Ethernet Card (10BT, 10B2) APC 450 Back Ups Supervoice 34.4 kbps Modem Fax/Voice 3D Wave/able Sound Card - Speakers Cnet Connection 10/5 - SN: CN8800100	YES	COG - G	NO
Dimension System P75 Intel Pentium 166 upgrade 14" K1C Color Monitor Model 2182PS	W0960111	Hazard Office	1.2 GB IDE	1.44M	32M	4X	Win95	Combo 16/30 Ethernet Card (10BT, 10B2) APC 450 Back Ups Supervoice 34.4 kbps Modem Fax/Voice 3D Wave/able Sound Card - Speakers C) Wave/able Sound Card - Speakers	YES	COG - G	NO

Guam Civil Defense Office Year 2000 Contingency Plan Phase 2 - Assessment

A comprehensive internal examination of the Civil Defense / Guam Emergency Services Office systems, applications, processes, services, equipment and infrastructure reveal the following:

Information Technology Infrastructure

- Hardware:
 - (10) Pentium 166 PC Workstations failed 1980 date test. Passed all other date and bios tests
 - (3) Pentium II 233 PC Workstations passed all date and bios tests
- Local Area Network:
 - (1) Dell PowerEdge 2300 WebServer passed all date and bios tests
 - (1) IBM 6611 Network Processor Router is not Y2K compliant.
 - (1) IBM 23-6839 Router Modem is not Y2K compliant
 - (1) ADC Kentrox DataSmart Add/Drop Device is not Y2K compliant
 - (2) Cnet Concentrator Hubs are not Y2K compliant
- Operating System:
 - (1) Windows NT4 is not Y2K compliant

PC Software / Application Systems

- PC Software:
 - (13) Microsoft Office 97 is Y2K compliant.
- PC Operating System:
 - (13) Windows 98 Operating Systems are Y2K compliant
- Applications Systems:
 - (DOA) AS 400 Application Systems are not Y2K compliant
 - (CAM-0) Computer Aided Management of Emergency Operations is not Y2K compliant

Non-IT Infrastructure

- Communications:
 - (15) Telephones/Voicemail are not Y2K compliant
 - (5) Wireless Communications Devices are not Y2K compliant.
 - (2) Video Conferencing Devices are not Y2K compliant
 - (1) Fax Machine is not Y2K compliant
 - (4) Televisions are not Y2K compliant
- Building Services:
 - (1) Air Conditioning System is not Y2K compliant
 - (1) Electrical System is not Y2K compliant
 - (1) Fire Alarm System is not Y2K compliant

**Guam Civil Defense Office
Year 2000 Contingency Plan
Phase I - Computer Inventory**

Equip. Description	SN / TAGS	Current Office	ACU C/W SPN	144M	128M	24M	Win NT	Mod. Info/100 Network Card Card Cont. number: Hubs: SN: C8882011R	Yes	ORIG. Q	YES
Dell PowerEdge 2300 Web Server Intel Pentium III 450MHz MFC 1400 color Monor MIN: 2182705	SN: T1VAC5	Comms Office							Yes		YES
IBM 6611 Network Processor 175 (Broadley)	YS2001201 1088	Comms Office						IBM 6611 Network Processor 175 SN: NCCVSNP041AA MFC 2100 color Monor SN: 21008702 / MFC 2822-02 Specialty: color printer (black)	Yes	1000-01	NO
HP Scanner 40 Model: C753001	9460582702M	Comms Office							NO	NO	NO
Asustek System (Dell 7400) (H)	SN: 198311X	Processor's Office	2.8GHz 1100	144M	128M	24M	Win98	4210 PCI Network Interface Card (ethernet) 4Mbps Fax Modem 10/100 Mbps Network Card w/ Modem/Headphones Modem/Headphones MFC 2100 (black) / MFC 2822-02 Specialty: color printer (black)	YES	1000-01	YES
Dell 7400 Color Monor Model: 1910251M	SN: C181001X C888										
Card Cont. number: Hubs: 12)	SN: C8882011R	Comms Office Admin. Office							YES	1000-01	NO NO

EXHIBIT 3/8

**Guam Civil Defense Office
Year 2000 Contingency Plan
Phase 1 - Computer Inventory**

CPU Type Monitor Type	Serial Number	Location	HDD	FDD	RAM	CD	OS	Other Devices / Specialized Software	Internet Access (Y/N)	Internet Service	System Y2K Compliance (Y/N)
Danmanson System P75 Intel Pentium 160 upgrade 17" ATC Color Monitor MN 218218	W0960100	Assn. AOD Office	1.2 GB HD	1.44"	64M	4X	Win98	Combo: 40x External CD-ROM (100/20) APC 486 Backup Superdrive 1.44 Floppy Adapter 1.5 Voltage 1x Win98 External Sound Card - Speakers	Y/N	1000-G	NO
Danmanson System P75 Intel Pentium 216 upgrade 17" View Sonic Color Monitor MN 21118	W0960106	Assn. Office Station 1B Plant Empire	1.2 GB HD	1.44"	64M	4X	Win98	Combo: 40x External CD-ROM (100/20) APC 486 Backup Superdrive 1.44 Floppy Adapter 1.5 Voltage 1x Win98 External Sound Card / Speakers	Y/N	1000-G	NO
Danmanson System P75 Intel Pentium 160 upgrade 17" ATC Color Monitor MN 218218	W0960109	A-3 Office Station 5 Inps Office	1.2 GB HD	1.44"	64M	4X	Win98	Combo: 40x External CD-ROM (100/20) Sound ps 486 Backup Superdrive 1.44 Floppy Adapter 1.5 Voltage 1x Win98 External Sound Card / Speakers	Y/N	1000-G	NO
Danmanson System P75 Intel Pentium 160 upgrade 17" ATC Color Monitor MN 218218	W0960105	Assn. Office Station 7 Core Building	1.2 GB HD	1.44"	64M	4X	Win98	Combo: 40x External CD-ROM (100/20) Sound ps 486 Backup Superdrive 1.44 Floppy Adapter 1.5 Voltage 1x Win98 External Sound Card / Speakers	Y/N	1000-G	NO
Acad System (Intel Pentium II)	P080121	A-11 Office Station 4 D&L Assn. Room	2.8 GB HD	1.44"	128M	24X	Win98	2x 16x PCI Network Interface Card (10/100) 3 Floppy Drives Adapter 1x Win98 External Sound Card w/ 4x External Speakers Sound ps 486 Backup	Y/N	1000-G	YES
Professional Computers Home Office Model Intel Pentium 486 S/N: 171 17" N14 R Monitor Model WY 170	997080131	Admin Office Station 2 Office Area	4.3 GB 1.44" ATA	1.44"	32M 2MB 32MB	24X	Win98	2x 16x PCI Network Interface Card (10/100) 4 Floppy Drives Adapter 4x Win98 External Sound Card w/ 4x External Speakers Amplified Speakers Sound ps 486 Backup 1x Win98 External Sound Card (100/20)	Y/N	1000-G	YES

8/10
EVA/MS

Guam Civil Defense Office
Year 2000 Contingency Plan
Phase 2 - Assessment

Process Control Systems & Equipment

- Optical Scanners: (1) HP Full Page Scanner is not Y2K compliant.
- Radios (5) Motorola Handheld Radios are not Y2K compliant.
- Pagers (10) Motorola Pagers are not Y2K compliant.
- Research & Development
 - (1) Diagnostic Systems are not Y2K compliant.
 - (?) Embedded Systems are not Y2K compliant.
 - (?) Electronic Systems are not Y2K compliant.
 - (?) Processors Systems are not Y2K compliant.

Other Area's

- Utilities: (3) Power, Water and Telephone are not Y2K compliant.
- Disaster Recovery Plan: Not Y2K compliant.
- Backup and Restore Systems and Procedures: Not Y2K compliant.

Guam Civil Defense Office
Year 2000 Contingency Plan
Phase 3 - Correction

Request for Compliance Certifications / Verifications from Vendor's and Business partners

Information Technology Infrastructure

- **Hardware:** Upgrade (10) Pentium 166 PC Workstations to meet full Y2K compliance
- **Local Area Network:** Purchase and Replace the following with Y2K compliant units.
 - (1) IBM 6611 Network Processor Router is not Y2K compliant
 - (1) IBM 23-6839 Router Modem is not Y2K compliant.
 - (1) ADC Kentrox DataSmart Add/Drop Device is not Y2K compliant
 - (2) Cnet Concentrator Hubs are not Y2K compliant.
- **Operating System:** Purchase Windows NT4 Y2K Patch Software for compliance.

PC Software / Application Systems

- **PC Software:** Complain
- **PC Operating System:** Complain
- **Applications Systems:** Pending Dept. of Administration Y2K Compliance Verification (DOA) AS 400 Application Systems are not Y2K compliant. Obtain Y2K Upgrade Version from Hazmat Institute (CAMEO) Computer Aided Management of Emergency Operations is not Y2K compliant.

Non-IT Infrastructure

- **Communications:** Purchase / Replace the following with Y2K complaint units
 - (15) Telephones/Voicemail are not Y2K compliant.
 - (5) Wireless Communications Devices are not Y2K compliant.
 - (2) Video Conferencing Devices are not Y2K compliant
 - (1) Fax Machine is not Y2K compliant
 - (4) Televisions are not Y2K compliant.
- **Building Services:** Purchase / Replace the following with Y2K complaint units
 - (1) Air Conditioning System is not Y2K compliant.
 - (1) Electrical System is not Y2K compliant.
 - (1) Fire Alarm System is not Y2K compliant.

Guam Civil Defense Office
Year 2000 Contingency Plan
Phase 3 - Correction

Process Control Systems & Equipment

Purchase / Replace the following with Y2K complaint units.

- Optical Scanners: (4) HP Full Page Scanner is not Y2K compliant.
- Radios: (5) Motorola Handheld Radios are not Y2K compliant.
- Pagers (10) Motorola Pagers are not Y2K compliant
- Research & Development
 - (1) Diagnostic Systems are not Y2K compliant
 - (2) Embedded Systems are not Y2K compliant
 - (2) Electronic Systems are not Y2K compliant
 - (2) Processors Systems are not Y2K complaint.

Other Area's

Pending Utilities Y2K Compliance Conversion and Certification

- Utilities (3) Power, Water and Telephone are not Y2K compliant
- Disaster Recovery Plan Not Y2K compliant
- Backup and Restore Systems and Procedures Not Y2K compliant.

Guam Civil Defense Office
Year 2000 Contingency Plan
Phase 4 - Testing

While some limited testing may have been done in the assessment phase, all critical systems as well as those which have been modified during the assessment phase must be modified during the correction phase and must be properly tested. A well conceived test plan must address the not only verification that the changes made during the correction phase have not introduced other problems, but that there will not be any problems when the actual century change occurs. To this end, there should be a Year 2000 test plan for application packages. A similar type of checklist would be needed for infrastructure changes and process control changes. The purpose of this testing is to ensure that the problem has been addresses properly and that we have not overlooked anything. While testing cannot ensure that no problems exist, a well conceived test plan can help us ensure that we have taken proper diligence in determining whether our system will work correctly.

Phase 4 - Testing Plan

- Regression Testing
- Time-Dimensional Testing
- Hardware Modifications
- Infrastructure Changes
- Process Control Changes
- Vendor Certification / Verification
- DOA Applications Assurance
- Y2K Document Control

EXECUTIVE SUMMARY

Since the enactment of Public Law 23-77 to establish and designate the Guam Fire Department as the lead agency for the administration of the island's Emergency 911 Communications System, it has been the endeavour of the department to sustain, operate, and maintain a viable system. The Guam Fire Department in its continuing effort to ensure the quality of service to the community, has identified that the obsolescence of the existing system poses a high degree of uncertainty of continued service and must be replaced. In addition, since PL-23-77 was enacted it is the Guam Fire Department's mandated requirement to submit to the Guam Legislature its budget and recommendations for the Emergency 911 Communications to be self sustaining.

The FY 97 budget was not submitted as required due to administrative time frames and other requirements entailing the creation of "Emergency Medical Dispatcher" positions which necessitated the creation aspect by the Department of Administration (DOA) and the ratification aspect by the Civil Service Commission (CSC). The Emergency Medical Dispatcher (EMD) position was approved in January 1998.

The department is prepared to implement the hiring of certified Emergency Medical Dispatchers. These EMD's will replace uniformed Firefighters currently assigned to be "call takers" for the present system. Along with this, in order to render full support to the entire department and specifically the Emergency 911/Communications system, we intend to implement the department's Management Informations System Section (MISS). The MISS shall serve a crucial and much needed service to fully bring the Guam Fire Department into the 21st century. Total departmental automation can be achieved by the Year 2002.

With total automation, the Guam Fire Department's Integrated Emergency Communications System (IECMS) we will have capabilities enhancing and up-grading into the "SmartNet" Group, Global Positioning System (GPS), and the local Geographical Information System (GIS) integration thereby enhancing, supporting, and tremendously improving present and future programs for instance: GFD's Emergency Medical Services (EMS) medical telemetry capabilities, Search & Rescue (SAR), Fire Suppression, and Fire Prevention operations.

The Guam Fire Department in consonance with the Emergency Operations Center,

Office of Civil Defense and the Guam Police Department are currently seeking primarily federal grant money to effectuate the construction of a state-of-the-art technologically advanced Emergency Communications Building. This building along with accompanying equipment is estimated to cost about two million dollars. Once built, it will be the new home of the truly enhanced 911 system inclusive of Police and Fire Dispatches under one roof.

This proposal, on the outset given our economic posture, may look too aggressive. However, if no action is taken now, when do we begin.

Your utmost consideration and action is greatly appreciated.

January 19, 1999

MEMORANDUM

To: Ivan C. Quinata, PE
Chief Engineer

From: Danny C. Cepeda
Systems Programmer

Subject: **Status report on the Year 2000 (Y2K)**

A status of all terminal systems and the Local Area Network (LAN).

Security Access Control Systems (SACS)

By the end of February 1999 we should be y2k compliant.

Flight Information Display System/Baggage Information Display System
(FIDS/BIDS)

Partial testing has been completed and by the end of February we should
has all testing completed and be y2k compliant.

Building Automation System (BAS)

Assessment has been completed and pending upgrade quote from
contractor.

Airfield Lighting Systems

Entire system being upgrade as per project #96-12-2. Testing and y2k
compliance has been required in the project specification.

Ford Audio Paging System

Assessment has been completed, quote received and pending approval

Simplex Fire Alarm System

Assessment has been completed, pending upgrade.

Elevators/Escalator System

y2k compliant and pending test.

Parking System

y2k compliant and pending test

Outbound Baggage System

Pending assessment.

Loading bridges system

y2k compliant and pending test

Local Area Network (LAN)

63% of computer workstations and 90% of computer software are compliant. We are working on a fix-it solution to have all 486s systems compliant and also the networking operating system (NOS) upgraded to NetWare 5.1. We expect to have the LAN compliant before June 1, 1999.

Accounting

MBA (DOS version) is compliant and we are continuing with the RFP on the Financial Management System (FMS).

However, assessment for other possible related y2k problems have yet to begin. For example the cargo scale, radios/pagers/cellular, intercom, local/long distance/voice-mail telephone services, chillers, power monitoring system, back-up power generation system, fuel tank monitoring, vehicle fuel management, runway clearing equipment, runway management and heart monitor/defibrillators.

DANNY C. CEPEDA



U.S. Department
of Transportation
Federal Aviation
Administration

November 23, 1998

Dear Airport Operator:

I am writing to provide you with an overview of the FAA's year 2000 (Y2K) efforts and the status of the FAA-owned equipment located at your airport. My hope is that this information will facilitate your efforts to ensure that the systems you own and operate on your airport are Y2K compliant prior to January 1, 2000, and will demonstrate FAA's commitment to successfully meet this challenge.

In March 1998, FAA Administrator, Jane Garvey, created the Y2K Program Office, which reports directly to her to ensure the agency's success in preparing its systems for the Y2K date change. This office adopted the five-step approach, awareness, assessment, renovation, validation, and implementation, which was developed by the U.S. General Accounting Office.

The first step, awareness, is ongoing and involves alerting all organizations within the agency that the Y2K problem will impact their operations and that Y2K readiness must be a top priority.

Then, in order to determine the scope and repair requirement of all systems, each system went through the assessment phase. This phase not only determined if a system was Y2K compliant, but also helped to estimate the scope of the repair work, the scale of problems within a system, and the level of effort associated with resolving the issues. Assessment of mission critical systems and non-mission critical systems was complete on January 31, 1998, and April 15, 1998, respectively.

During the third phase, renovation, specific changes that were needed to make a system Y2K compliant were identified, executed, and tested. On September 30, 1998, 99 percent of FAA systems had been renovated with the remaining one percent, i.e., two systems, scheduled to be renovated by December 31, 1998.

The FAA is now in the validation phase. This involves testing the "fixes" made to each system, correcting the individual system's problem, and enabling it to interact with other systems. Once the validation phase is complete, we will implement the "fixes" on all identical systems in the National Airspace System. The final phase, implementation, is scheduled to be complete for all FAA systems by June 30, 1999.

2/11/99
3/7
DEC 1998
ENGINEER
860 Independence Ave., SW
Washington, DC 20591
Denny,
pls provide status
report... Q

Since the agency is still in the validation phase for its systems, "fixes" have not been made to the vast majority of the FAA systems located on individual airports. However, the FAA is on schedule and remains committed to achieve Y2K compliance of all its systems no later than June 30, 1999.

I hope this information helps clarify the Y2K compliance status of the FAA systems located on your airport. Additional information on the agency's Y2K efforts can be accessed on the FAA Y2K Program Office's website at www.faa.y2k.com or call them at 202-267-9512.

I strongly encourage all airports to take a similar five-phase approach to ensure Y2K readiness of each of their systems. Our regional personnel will be in contact with you to continue the dialogue on this important challenge. I am confident that—if we all work together—we can ensure that the national air transportation system experiences a seamless transition into the new millennium.

Sincerely,



Susan L. Kurland
Associate Administrator
for Airports

Terminal Systems Y2K Compliance

System	Software	Hardware	Estimate Cost	Comments	Tested
Public Address (PAS)	No	No	\$50,000.00 For all upgrades, software or hardware to also include Labor, Travel, Lodging, and Per Diem	Software: Upgrade to ACS1 needed. Hardware: Upgrade needed to the following items: ACS motherboard Industrial Rack mount computer RS422 Interface Cards: 2 ports Mic Station eprom Ethernet Hub, 8 port 486 ACS processor card Hard drive card 8 Channel DRP card	No
Outbound Baggage (OBS)	Partial	No	\$1,000.00 Not including upgrade for hardware	Software: OS2 Operation Post 2000 is "Y2K", Sortation Program Post 2000 is "Y2K". **Testing Needed for the following: BSM Processing Flight Editing Crossover Flight Schedule Report Data Hardware: Name verified at this time.	Yes Yes No No No No No
Inbound Baggage (IBS)	**	**	**	No information to date.	No
Parking Lot (PLS)	Yes	Yes		Statement of compliance issued by Phoenix Pacific, Inc.	No
Airfield Lighting and Control (AFLCS)	**	**	**	No information to date.	No
Jetway (JWS)	Yes	Yes	**	Statement of compliance issued by ???	No

Terminal Systems Y2K Compliance

System	Software	Hardware	Estimate Cost	Comments	Tested
Security Access Control (SACS)	No	No		Software: Core System 1 Plus must be upgraded. Vax OS must also be upgraded. Sensoratic will be handling the full upgrading to include work done by Digital for Vax OS upgrades. No data received on upgrades needed. Hardware:	No
Flight/Baggage Information and Display (FIDS/BIDS)	Conditional	Yes	\$5,000.00	Software: System was tested and certified on Aug 29, 1998 for transition from 12/31/1999 to 1/1/2000. Further testing needed for leap years. Hardware: No upgrades needed.	Yes
Building Automation (BAS)	No	Partial	\$50,000.00	Software: XBSI must be upgraded to XBS software. OS must be upgraded to Windows NT with Service Pack 3. Hardware: Gateway/Bus Interface Unit(W7053 A/E/G) is conditionally compliant. Recommend to upgrade to Windows NT networking.	No
Elevator/Escalator Management (EMIS)	Yes	Yes		Statement of compliance issued by manufacturer.	No
Fire Alarm (FAS)	No	Yes		Software: Upgrade to Rev. 7.04and 8.04.	No

Terminal Systems Y2K Compliance

System	Software	Hardware	Estimate Cost	Comments	Tested
Bar Coding (Outbound Baggage)	**	**	**	No information to date.	No
MUSE	No	No		Further information needed to the latest report from Arinc.	No



1/5
James (Jim) H. Underwood
General Manager

Dominic G. Muna
Assistant General Manager

January 6, 1999

Al Erguiza
Senior Accountant
Office of the Public Auditor
Suite 706, GCIC Building
414 West Soledad Avenue
Agana, Guam 96910

Hafa Adal Mr. Erguiza:

Per your request to update your office on Guam Mass Transit Authority's efforts to address the pending Year 2000 impact, I have listed below areas of concerns for GMTA.

Please be aware that our computers are not on a "network". We can transfer files from one computer to another, but we don't have a dedicated "server" to maintain files or software. We have, in a way, stand alone computers.

Hardware - The models and types of computer hardware for GMTA varies from Sony - VASIO to Gateway 2000. Thru Pat Cabrera from Bureau of Information Technology, I was able to gain a copy of a "check test" disk from the network manager from Port Authority. I performed the hardware test on each computer of GMTA's and I am pleased to say that they passed thru the year 2016.

Software - For the various types of software that we use at GMTA, I periodically check on the Internet to visit the sites of the computer software makers. They have been updating the users of their products on the status of their efforts to get their products Y2K compliant.

	<u>Website address</u>
1. Windows 95 - version A & B	microsoft.com
2. Lotus SmartSuite	lotus.com
3. Wordperfect - Corel version 7.0	corel.com
4. Quickbooks Pro version 4.0	intuit.com

EXHIBIT J
2/5

In terms of critical areas of GMTA operation:

Accounting - is being processed under the accounting software Quickbooks Pro. I am currently visiting the website on product update. I have forced the date on several reports generated from quickbooks and it prints with the date and correct data. In terms of our future relationship with vendors, I have sent letters to them requesting the status of service come Jan. 1, 2000.

Payroll - is currently being processed by an outside vendor, Automated Professional Systems which is already Y2K compliant. They have completely replaced their entire computer operation with one that is Y2K compliant. They have been running dual payroll, that of the old system and that of the new for the past 6 months to work out any bugs. They will be ready to produce a payroll on the new system come February 1999. But I did send a letter requesting status of service come Jan. 2000 for written confirmation.

Human Resources - is currently being maintained manually.

Utilities -

Guam Telephone Authority -
sent a letter requesting status of service come Jan. 2000.

IT & E -
sent a letter requesting status of service come Jan. 2000.

Guam Power Authority -
sent a letter requesting status of service come Jan. 2000.

Guam Waterworks Authority -
sent a letter requesting status of service come Jan. 2000.

Cellular Phones -

Futuristic Systems - spoke to Ella Cacayan, Gov't Accounts.
She is requesting a letter from us so they can provide us a Y2K status letter.

EXHIBIT J
3/5

Banking - We currently utilize the services of Bank of Guam. I spoke to Mr. Joe Bradley, Y2K Compliance Officer. He relayed to me that the FDIC has imposed a deadline of June 30, 1999 to be Y2K compliant. BOG has been working on this problem since August 1996. Mr. Bradley estimates that they will be able to do a walk thru of the new system come Apr 1999.

Security Services - I have received a letter from the company that provides security services and they have assured us that they are Y2K compliant.

Bus Operations - Public Transit

The contractor for Public Transit is M's Marketing. I spoke to Pete Manglona, General Manger, about Y2K. He informed me that he has 2 computers that are not Y2K compliant that are used for maintaining information for M's Marketing. I informed him to obtain a backup of the hard drives. Upon returning from the meeting on Jan. 8 with the Y2K committee, I will relay any useful information to him. I have also sent a letter to M's Marketing requesting their status of service on Jan. 1, 2000.

Bus Operations - Paratransit

Have spoken to Noney Gawat, Operations Manager. Goodwill is in the process of doing an assessment of operations to determine the impact of Y2K. I have followed up with a letter which requests their status of service come Jan 1, 2000.

Fuelling of Buses -

GTMTA is currently receiving fuel for bus operations thru the Department Of Administration. They have elected to use Exxon as their vendor for fuel. I have been in contact with Mr. Jesus Montellano, Systems Analyst assigned to handle the Y2K problem for Esso Eastern, Inc. He assured me that the buses will have no problem on January 1, 2000 receiving fuel. He followed up with a letter to the same effect.

EXHIBIT J

4/5

Bus Dispatching System -

Has not been implemented to date. It is being made a requirement for this coming renewal of contract services effective 2/99.

Radio services to buses -

In response to Joe Devega, radio technician for Radio Com (provider of radio service for both public and paratransit operations), he assures me that there will be no disruption of service on Jan. 1, 2000. I have received a letter from RadioCom stating that they are Y2k compliant.

Bus repair & Maintenance -

I have asked both contractors of the public transit (M's Marketing) and paratransit (Goodwill Industries) that when doing the assessment of their operations to include that of repair and maintenance. According to the contracts, the contractor provides for the repair & maintenance of the buses and vehicles.

Department of Transportation (federal government) -

Per Donna Turinchill program manager DOT region 9 assigned to GMTA, they are still working on getting the dept. up to speed. So as to prevent any disruption of receiving future federal grants, she is advising us to continue manual drawdown of funds until further notice.

Department of Administration -

In regards conducting future business with DOA, i.e., receiving our monthly allotment, processing of personnel actions, etc., I have sent a letter requesting status of service come Jan. 2000.

Bureau of Budget and Management & Research -

In regards to conducting future business with BBMR, i.e., keying in of our monthly allotment, I have sent a letter requesting status of service come Jan. 2000.

EXHIBIT J

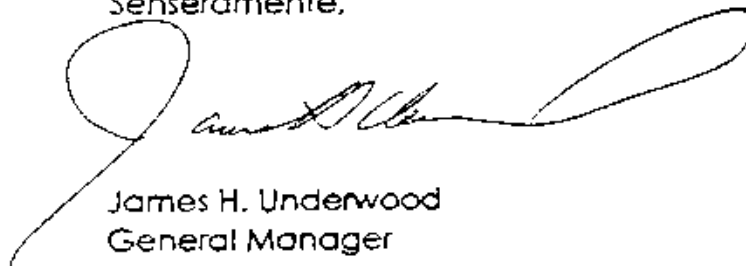
5/5

In regards certifying Y2K compliance, I have just received today (1/4/99) the "certification packet" from BIT. I will be reading and conducting the tests accordingly.

As with the rest of the Government of Guam agencies, GMTA is experiencing a belt tightening processes. In the event that GMTA is not Y2K compliant, plans for preventing any disruption of business would be contingent upon available funds, which has not been identified.

We hope this will give an insight as to the steps already being taken by GMTA. We are open to any and all suggestions and guidance you can impart to us. If you have any questions, please feel free to call Jane Bulante at 475-4682/3 or fax at 475-4600.

Senseramente,

A handwritten signature in black ink, appearing to read "James H. Underwood". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke extending to the right.

James H. Underwood
General Manager

Memorandum

Date: 01/14/99
To: Mr. Robert Cruz
Office of the Public Auditor
CC: Lourdes C. Torre, General Manager
Al Erguiza, Senior Auditor
From: Monica L. Pido *M. Pido*
Assistant General Manager/Y2K Lead
RE: Y2K Compliance Review

This is to confirm and expand on information provided in a phone conversation January 12 between Mr. Al Erguiza and myself regarding our credit union's Y2K compliance.

Efforts toward Y2K compliance began in February 1998. A Y2K Committee was established to address the Y2K compliance project. The following summarizes our efforts to date in addressing Y2K issues.

A Contingent Operational Plan and Financial Budget were developed February 1998. During the development of our plan, the committee assessed our operations and identified all mission critical and non-critical systems.

In May 1998, we hired consultants from KPMG to conduct an independent review of the committee performance, assist in the development of test scripts and test cases, and provide recommendations for overall project management.

In September 1998 we subscribed to the McGladrey & Pullen Proxy Baseline and Third Party Interface Test Plan of our main computer system vendor. These consultants (agents) provide overall review and certification of testing of our main computer system. To date, all baseline tests are complete, and the committee is in the process of validating all results. Testing on third party interfaces is on-going and estimated to be complete by June 1999.

Testing on mission critical and non-critical systems not identified in the proxy test plan is being conducted and coordinated in-house. Testing and validation are on-going for continued maintenance of compliance.

Correspondence with vendors regarding Y2K compliance is on-going. Communications with our members will increase during 1999 to educate and assist our members in preparing for the rollover.

As a federally insured credit union, we are regulated by the National Credit Union Administration (NCUA). All our Y2K efforts are reported monthly to NCUA. Additionally, we submit a quarterly call report on the status of all critical and non-critical systems. NCUA has conducted several examinations of our Y2K compliance. NCUA continues to monitor our efforts to ensure we are compliant with all regulatory time frames and due diligence requirements.

Internally, our Board of Directors deemed the Y2K project as **the priority project** of the credit union, providing the resources for continued operations. Organizational policies were developed to assist in overall Y2K compliance and continued maintenance of compliance.

In summary, our credit union has taken a pro-active step in addressing the Y2K issues. We anticipate problems in the rollover. Moreover, we anticipate that many of the electronic conveniences our members enjoy, may not be operational after the rollover. We have taken steps to address these "glitches" and remain operational for our members, through the implementation of our operational contingencies.

Should you have any other questions or concerns regarding our credit union's efforts in addressing Y2K issues, please call me at 472-9416 or any of our other committee members at 477-8736.

Implementation/Maintenance

Upon completion of all renovations and testing, the systems are identified as Y2K compliant and implemented into our operations. However, we continue to monitor all our systems since any changes to the software programs may affect our operations. Therefore, testing and compliance assessment are on-going processes.

Additionally, as a federally insured credit union, we are regulated by the National Credit Union Administration. NCUA requires we submit monthly reports of our Y2K efforts and a quarterly status report on compliance of our critical and non-critical systems. Furthermore, NCUA conducts periodic examinations of our Y2K efforts to ensure all regulatory time frames and due diligence requirements are met.

Where are We NOW?



The Y2K Committee is currently reviewing test results conducted by XP Systems on Focus XP systems. The tests we conducted were completed December 1998. XP Systems is coordinating the Electronic Interface Test Schedule and plans to complete all third party testing by June 1999.

The credit union continues to conduct in-house testing on all systems identified as critical and non-critical that are not included in XP Systems' test plans.

How can you get more information?

This brochure is intended to provide you a clear and concise picture of the Y2K project and the steps we have taken for continued operations. The Y2K committee will continue to provide periodic updates on our progress. Look for our upcoming newsletters as we track "Typhoon Y2K".

For more information on your credit union's Y2K efforts, please contact any of our Y2K Committee members listed below at 477-8736.



Monica L. Pido ext. 202
Asst. General Manager

Wyl Santos ext. 217
Compliance Officer

Nareite Tudela ext. 201
Systems Coordinator

Laura Cruz ext. 225
Loan Manager

Gloria Molo ext. 203
Member Service Manager

Alicia Heady ext. 219
Accounting Manager

You may also submit your inquiries via e-mail to: y2k@fite.net

YEAR 2000 THE NEW MILLENNIUM ("Y2K")



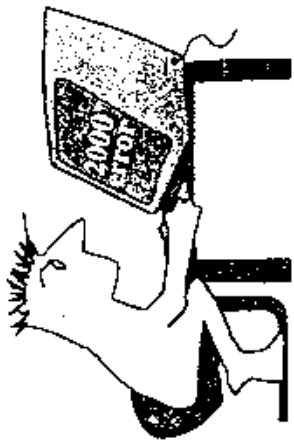
GOV/GUAM EMPLOYEES FEDERAL CREDIT UNION



National Credit Union Administration
Your savings federally insured to \$100,000

What is Y2K?

"Y2K" in its simplest form, refers to the impact the Year 2000 date change may have on businesses, utilities and other organizations like our credit union, that use computerized systems to help run operations.



The Year 2000 date change (Y2K) can affect any system that uses computer chips or computer software. This is largely due to programming space and cost limitations placed on computer systems in the past. Many years ago, computer programs stored calendar year dates as two-digit numbers instead of four digit numbers. Therefore, "1999" was stored as "99". Y2K raised many concerns about how computer systems will read and store the calendar year date "2000". Will the system recognize it as "1900" or "2000"?

Our credit union uses computer systems to perform transactions like share deposits and withdrawals, to track your share and loan accounts, to post your payroll deduction deposits and to provide many other electronic services. Computer software and computer chips are also used to run our security systems, communication network and other essential equipment. Because we rely on these computer systems to help run our daily operations, we are taking steps to "fix" these systems and remain operational when the calendar date changes.

Renovation

While assessing all our critical and non-critical systems, the Y2K Committee was able to identify some systems that were not Y2K compliant. The deficient aspects of those systems that were identified as not Y2K compliant, were addressed through actual program software changes, system upgrades, or entire replacement by another system.

Testing

Testing our systems is by far, the most difficult phase in our project. Therefore, the Y2K Committee hired several consultants to assist our credit union in this phase.

In May 1998, we hired KPMG, LLP consultants to conduct an independent review of the Y2K Committee's performance. KPMG also provided some training and assistance in developing our test plans, test scripts and test cases of our systems. Finally, KPMG provided several recommendations in the overall project management of Y2K.

In September 1998, we hired McGladrey & Pullen, LLP to serve as our agents in the testing of our main computer system, FOCUS XP and related third party electronic interfaces, such as our ATM and Share Draft vendors. McGladrey & Pullen provide overall review and certifications of testing conducted by our main computer system vendor, XP Systems. The Y2K Committee, in turn, reviews the results of McGladrey & Pullen's review and certification.

All other systems identified as critical and non-critical are being tested in-house by staff members. In-house testing is reviewed and coordinated by the Y2K Committee.

CU's Approach to Y2K

We are preparing for Y2K as any Guam resident would prepare for a typhoon; addressing Y2K in five phases.

Awareness

The Board of Directors and Management have taken pro-active measures with Y2K since February, 1998. A Y2K Committee, composed of credit union managers, was appointed by the Board. Furthermore, the Board of Directors declared this project the Priority Project of the credit union.

Assessment

The Y2K Committee reviewed credit union operations to identify mission critical and non-critical systems (systems essential for operations of our credit union). We then developed a Contingent Operational Plan in the event these systems do not function, or function incorrectly, when we rollover to the Year 2000. Also, we presented a financial budget to the Board for approval. In turn, the Board set aside reserves of \$798,500 to address Y2K.


The Y2K Committee also took steps to develop correspondence and communication ties with vendors (businesses and organizations we associate with for daily operations. For example, utility companies such as Guam Power Authority, Guam Water Works Authority and Guam Telephone Authority were contacted to assess their Y2K readiness. We also corresponded with our sponsor (Government of Guam) agencies (for example, Department of Administration, Department of Education, and Retirement Fund Division) to assess their Y2K readiness and ability to continue their payroll deduction services with us.



MINA' BENTE SINGKO NA LIHESLATURAN GUÁHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Heister Street, Agaña, Guam 96910

MEMORANDUM

TO: Aristedes V. Erguiza
Auditor III
Office of the Public Auditor
Government of Guam
Via Facsimile: 477-1015

FROM: Robert J.S. Rabago 
MIS Coordinator

DATE: February 10, 1999

SUBJECT: Year 2000 Compliance Status

When we last met on December 3rd, 1998 regarding the above subject, we were in the transition of closing out the 24th Guam Legislature and preparing for the incoming and current 25th Guam Legislature.

Although the Y2K issue does not have a large impact in the Legislative branch (We are an in-house PC & LAN Based Operating and Application Systems platform), our MIS division is focused on making sure that our systems are converted and capable of recognizing the January 1, 2000 and beyond dates.

The MIS section is responsible for supporting our Central Operations, as well as our Senatorial Offices. We have only performed an initial inventory of our hardware and software, and scheduled next month to do a small based system test on our accounting section.

In our Central division, most, if not all, of our PC systems (server & workstations) were purchased after 1995, and our network operating system and accounting package is Y2K compliant. We are also in the process of having our Senatorial Offices aware of the Y2K problem by issuing a general contingency plan to ensure their services will continue after the year 2000.

On top of other projects we are currently involved with, Y2K is on the top of our priority list. Please feel free to call me if you should have any questions or need more information. Thank you.



Year 2000 Council

Carl T.C. Gutierrez
Governor
Madeleine Z. Bordallo
Lt. Governor

Information Technology Contractors

The purpose of this announcement is to identify potential information technology contractors with the capability to fulfill a requirement with the Guam Government for Y2K Compliance. Information contained in this announcement is for planning purposes only. The Government is interested in selecting a private sector firm that will bring the capability to perform Y2K assessment and project management to the effort of migrating to year 2000 compliant solutions in systems, application code, and all other microprocessor based activities. The Government will subsequently award a contract that will ensure the remediation and/or replacement of existing systems and equipment required for the uninterrupted operation of the Guam Government Support Line Agencies and the Autonomous Utility Agencies systems and facilities.

Contractor shall assume full responsibility for providing project management, code changes/enhancements/additions and hardware as required to accomplish design, development and financing services and acceptance of complete Year 2000 Compliant systems.

Public Information and Research Contractors

The purpose of this announcement is to identify potential market research and communications contractors able to conduct comprehensive market research to identify percentage of Y2K compliant and noncompliant sectors of our community. Research must divide community into sectors so communications and outreach programs can be designed to reach all noncompliant sectors.

Research must also identify key factors for why these sectors are noncompliant and analyze over all awareness and understanding of the necessity for Y2K Compliance.

Analysis should provide road maps for a communications and public (paid and free) awareness program.

Vendor must also be able to develop and execute necessary press and media releases and advertising programs for a communication and public awareness campaign. They must utilize analysis and ensure entire community awareness.

Vendor should also be able to execute direct training programs to support community and awareness program.

Vendor must have expertise to coordinate with overall Y2K technical consultants to ensure training programs adhere to community needs.

For businesses interested in obtaining the Request for Proposal regarding this solicitation, please pick up at:

Chairman George Bamba
Guam Finance Commission
103 F Street
Tiyon, Guam 96910

I. INTRODUCTION

The Year 2000 Council is seeking a qualified firm(s) to provide Research, Communications Campaign (Advertising and Promotion) and Training Services.

II. PROPOSAL INSTRUCTIONS

1. ISSUING OFFICE

This Request for Proposal (RFP) is issued by the Year 2000 Council as created by Executive Order 98-31.

Proposals will be submitted to George Bamba, Chairman at the following address:

Year 2000 Council
104 F Street
Tiaan Guam, 96913

A complete set of RFP documents may also be obtained at the above address.

Communications directed elsewhere may result in the disqualification of the respondent. Only written communication from the Year 2000 Council may be relied upon.

2. DEADLINE FOR PROPOSALS

To be considered one (1) original and five (5) copies of the proposal materials must be sent to the Year 2000 Council, to the attention of George Bamba, Chairman and must be received no later than 4 p.m., Monday, February 1, 1999, local Guam time.

3. LATE PROPOSALS

Any proposals received after the date and time specified in section II.2 will not be considered. The time of receipt of a proposal will be the date-time stamp placed by the Year 2000 Council on the proposal package or other documentary evidence attached to the proposal.

4. WITHDRAWAL OF PROPOSAL

Proposals may be withdrawn by written or facsimile notice received by the Year 2000 Council at any time prior to award. Proposals may be withdrawn in person by an offeror or that offeror's authorized representative, provided that the identification of the representative is verified and a receipt for the proposal is signed by the representative.

Business hours of the Year 2000 Council for the purposes of this RFP are from 9:00 a.m. to 5:00 p.m., Monday through Friday, with the exception of official Government of Guam holidays.

III. SCOPE OF WORK

Firms expressing interest will be provided a copy of the request for proposals (RFP). Specifically, the selected offeror(s) will be required to conceptualize and produce research, communication campaign and training services for the following projects:

1. RESEARCH

The purpose of this Request for Proposal is to provide the Year 2000 Council with a contractor to develop, conduct and analyze market research to identify the percentage of Y2K compliant and non-compliant sectors of our community. Research must help identify sector size and number of businesses that are Y2K non-compliant and their

effects on the Government of Guam operations. The research must also help identify these Y2K non-compliant business impact on the island's economy.

The research must be designed to help build a data base for the Government of Guam of non-compliant (Y2K) businesses on the island

Research must divide community into sectors (identifiable segments). Sample size should be large enough to ensure all segments identified are statistically valid and are projectable for each segment

The Research process is to include questionnaire development, data collection, data processing and complete analysis(s). Length of questionnaire and sample size and segmentation, grouping to be suggested by contractor based on final discussion with Year 2000 Council Chairman.

Research may include more than one project to track increase in compliance (Y2K) and effect of communications campaign. Research should be designed to also help implement community wide communications plan. Research should highlight targetable segments that communications (Advertising and Public Relations) can effectively help Y2K compliance increase

2. COMMUNICATIONS CAMPAIGN

A Communications campaign will be designed that (based on research) should reach the necessary Y2K non-compliant sectors and communicate to them the necessity and resources available to become Y2K compliant

Communications campaign should utilize all necessary forms of advertising and public relations tools. Contractor must be able to provide all possible communications tools available to reach and effectively communicate to the target segments

Contractor will be required to provide budgets for media, production costs, billable hours and other fees

Budget will be based on least expensive and most cost effective ways to reach final goal of approved communications campaign

3. TRAINING

Contractor will also be required to plan and implement training programs to help targeted segments become Y2K compliant. The Contractor will not be required to provide the technical expertise for Y2K compliance but will only be responsible for planning and implementing of the training programs based on the need to reach non Y2K compliant sectors

Training compliance size will be determined based on size of non-compliant sectors of the community and the non-compliant sectors impact on Governmental operations, Island economy and community need

4. FEES

Contractor should submit outline of standard fees and billing methodology based on each segment of project: 1. Research; 2. Communications Campaign; 3. Training programs

IV. OFFEROR QUALIFICATIONS

The ideal vendor for this project would have the following qualifications:

- Currently licensed to do business on Guam.
- At least three (3) years experience in developing comprehensive Research & Communications Campaigns(advertising promotion) and training services.
- Must be able to demonstrate the technical expertise required to modify and maintain the projects.
- The firm is expected to assign its qualified and experienced personnel to undertake the activities and will be required to utilize its skills to fulfill project requirements and meet project timelines.
- The firm is expected to control and minimize costs while still maintaining quality and effectiveness.
- Must provide a list of names, addresses, phone numbers and points of contact for clients with similar project set-ups.
- Offerors having a proven record of acceptable past performance as demonstrated and further documented in the past performance and the project examples.

V. TERMS AND CONDITIONS

1. PREPARATION OF PROPOSAL

Proposal must be prepared in conformity with all instructions, conditions, and requirements included in this RFP. Offerors are required to examine all documentation. The offeror further understands that it has affirmative duty to inquire about and clarify any RFP question that the offeror does not understand or that the offeror believes may be susceptible to more than one interpretation. Failure to observe all terms and conditions will be at the offeror's risk.

2. LIABILITY FOR COSTS OF THE PROPOSAL

The Year 2000 Council is not liable for any costs incurred by the offeror in connection with this RFP. By submitting a proposal, the offeror specifically waives the right against the Year 2000 Council for any expenses incurred in proposal preparation. Submitted proposals become the property of the Year 2000 Council. Offeror requests for the return of specific proprietary material(s) will be honored.

3. RIGHT TO AMEND

The Year 2000 Council has the right to amend this RFP at any time. In the event that it is necessary to revise any part of this RFP, an amendment will be provided to all offerors who are known to the Year 2000 Council as having received this RFP. Acknowledgment of receipt of all issued amendments shall be required from all offerors.

4. RIGHT TO CANCEL AND REISSUE

The Year 2000 Council may cancel this RFP, in whole or in part at any time, or reject any or all proposals submitted in response, when this action is determined to be essential and advantageous to the Year 2000 Council or otherwise in its best interest. The Year 2000 Council may, at its discretion, reissue this RFP.

5. OWNERSHIP AND SALES COMMISSION DISCLOSURE

Offeror must submit a notarized affidavit stating the names and percentage of any persons (including more than ten percent (10%) interest of shares) in the vendor company or partnership. In addition, the affidavit must contain the names of any persons who has received or is entitled to receive a commission, gratuity or other compensation for

procuring or assisting in obtaining business related to this RFP, and shall also contain the amounts of such commission, gratuity or other compensation.

6. ORAL PRESENTATIONS

Offerors may be required to participate in oral discussions of their proposal. Should the Year 2000 Council elect to conduct such discussions for the purposes of proposal clarification, this will be accomplished by conference at a mutually agreeable time. Offers should, however, present proposals which are complete and comprehensive in all ways since the Year 2000 Council reserves the right to award a contract without further discussion.

7. RIGHT TO ACCEPT OR REJECT PROPOSALS

The Year 2000 Council reserves the right to reject any or all proposals and to waive informalities and minor irregularities in proposals, in any manner necessary, to serve the interest of the Year 2000 Council. The Year 2000 Council reserves the sole right to determine what constitutes irregularities in the proposals.

VI. EVALUATION AND SELECTION PROCEDURES

1. QUALIFYING

The selection panel will first review each proposal for compliance with required proposal mandatory features. Each mandatory feature must be addressed in the proposal and agreed to by the offeror. The mandatory features are:

- Deliver (1) original and five (5) copies each of the proposal;
- Proposal is signed by individual authorized to bind firm;
- Proposal is valid for 120 days;
- The proposal is presented in the required format;
- Compliance with Ownership and Sales Commission Disclosure Provisions.

Failure to comply with these mandatory requirements will disqualify an offeror's proposal. Minor irregularities in proposals that are immaterial or inconsequential in nature may be waived by the selection panel whenever it is determined to be in the Year 2000 Council's best interest.

2. EVALUATION

All proposals found to be in compliance with the mandatory requirements of this RFP will be subject to an evaluation based primarily on technical merits and cost. The proposals will be evaluated under a 100 pt. System. The following criteria will be used to evaluate each proposal:

- Ability to perform the services as reflected by technician training and education, general experience, specific experience in providing the required services, and the qualifications and abilities of personnel proposed to be assigned to perform the services. (25)
- The personnel, equipment, and facilities to perform services currently available or contracted to be made available at the time of contracting. (15)
- Understanding project's scope of work and approach. (20)
- Number of related projects. (15)

- Ability to meet pre-agreed deadlines. (15)

During the evaluation process, the Year 2000 Council reserve the right, where it may serve the Year 2000 Council's best interest to hold discussions with offerors, to request additional information, to clarify pertinent items, or to allow corrections of errors or omissions. At the discretion of the Year 2000 Council, firms submitting proposals may be requested to make oral presentations.

3. FINAL AWARD

It is anticipated the selection of a firm will be completed by February 15, 1999.

VII. PROPOSAL FORMAT AND CONTENTS

The proposal should be presented in a clear and precise manner. The proposal should primarily address the technical aspects of this RFP, and cost secondarily. The format below will be followed.

Section 1:	Executive Summary of the Proposal
Section 2:	Overview
Section 3:	Technical Approach (schedule of activities and deliverables to include begin and end date)
Section 4:	Offeror Qualifications
Section 5:	Cost Schedule (should be in a separate envelope to be opened only after the opening of the proposals)

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