

## **Attachment B – Fiscal-Financial Advisory Services Task Order**

### **Fiscal – Financial Advisory Services**

**2.1.1 Purpose** – The United States Territory of Guam (Government of Guam or Territory) is seeking proposals from qualified advisory firms to assist the Territory in collaborating on the Navy's Socioeconomic Impact Assessment Study (SIAS) and on the preparation of the Territory's Fiscal Impact Assessment (FIA), a significant fiscal/financial assessment. These efforts should enable the Territory to make informed decisions on how to address the impacts created from the proposed Department of Defense military realignments and force structure build up on Guam.

The Joint Guam Program Office (JGPO), the NAVFAC PAC, and the U.S. Territory of Guam have embarked on a three-tiered document strategy, which includes: 1) the Navy's Environmental Impact Statement/Overseas Environmental Impact Statement (EIS/OEIS); 2) the Navy's Socioeconomic Impact Assessment Study (SIAS); and 3) the Territory's Fiscal Impact Assessment (FIA).

The strategy integrates and utilizes data from each document to be more efficient and more importantly to ensure consistency across the documents. The strategy encourages collaboration between the organizations to minimize disagreements on the key findings for each document.

#### **Navy's EIS/OEIS**

The Navy's EIS/OEIS will serve as the foundation document, since it will document the key assumptions and data about the proposed action. The EIS/OEIS data bases; such as number of personnel, make up of personnel, foreign workforce, etc. will serve as the source document and source data bases. It is imperative that the SIAS and any follow-on fiscal analyses be based on the mission and force structure proposed by the Military Department. Additionally, follow-on actions will need to avoid replication or duplication of the Federal analyses.

Lead Agency: NAVFAC PAC

#### **Milestones:**

Preliminary Draft EIS/OEIS - January, 5, 2009

Draft EIS/OEIS (Federal Register) - April 2009

Final EIS/OEIS - December 2009

Record of Decision - January 2010

#### **Navy's SIAS**

In response to public comments received during the Navy's Environmental Impact Statement/Overseas Environmental Impact Statement (EIS/OEIS), the JGPO and NAVFAC PAC have agreed to undertake a stand alone document referred to as the SIAS, which will supplement the more general socioeconomic

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sections of the EIS/OEIS. The SIAS will seek to more fully document and quantify the social and economic impacts caused by the Department of Defense proposed action, including documentation, information on, and accounting for such items as base personnel, local procurement, and construction activity.

NAVFAC PAC has requested the Territory collaborate with the NAVFAC PAC's SIAS Consultant on the development of the SIAS. The Territory's Environmental and Fiscal Consultants, under the direction of the Office of the Governor, working with the various Territory Departments, Agencies, and University of Guam, will supplement, integrate, and facilitate the Territory's collaborative efforts on the SIAS. It is anticipated the Financial Advisory (FA) Consultant will serve more as a liaison or facilitator between the SIAS Consultant and the Territory and will provide the Office of the Governor additional capacity to ensure the Territory is being responsive on the SIAS.

The Office of Economic Adjustment (OEA), with NAVFAC PAC's concurrence, solicited and gained the engagement of the Federal Regional Council (FRC) Region IX on the SIAS, because of their wealth of expertise and years of experience in dealing with the Territory of Guam, the Commonwealth of the Northern Mariana Islands (CNMI), and the Western Pacific Islands.

Lead Agency: NAVFAC PAC

Milestones:

Socioeconomic Baseline Report (SBR) - December 1, 2008

Draft SIAS - March 1, 2009

Final SIAS - September/October 2009

### **Territory's FIA**

The Territory will undertake the FIA. The FIA will tier off and analyze the financial implications of the impacts identified in the SIAS to the Territory. A component of the FIA will look at the timing of revenues and expenses, including the implications of Section 30, to analyze the financial implications to the Territory's ability to respond to or address the identified impacts. It is envisioned the NAVFAC PAC's SIAS Consultant will collaborate with the Territory's Environmental and Fiscal Advisory Consultants on the development of the FIA.

Lead Agency: Territory

Milestones: To Be Determined (TBD)

Future milestones will be determined by the progress on the SIAS.

NOTE: Milestone Dates for the EIS/OEIS and the SIAS were obtained from NAVFAC PAC, the executing agent for the JGPO.

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### **2.1.2 Project Goals**

The goal is to ensure the Office of the Governor and the Territory are equipped to make informed and effective fiscal decisions on how to address the myriad of challenges/impacts associated with the proposed Department of Defense Program. The Office of the Governor believes it is imperative the Territory is equipped to make sound decisions, which are within their control, and to help shape decisions made by external stakeholders, including the Federal Government and the private sector. To help meet the goal the Governor of Guam has identified the following objectives for the Guam Financial-Fiscal Advisory Services (FA Services):

- Work with the Territory’s Departments/Agencies on the development of significant and critical Territory baseline data, which is imperative to and will enhance the quality of the Navy’s SIAS;
- Collaborate with the Navy’s SIAS Team on social, economic, and fiscal issues
- Development of an Financial Impact Assessment (FIA)
- Strengthen the symbiotic relationship between the United States Army, the United States Navy, the United States Air Force, the Federal Agencies/Departments, the Territory of Guam, and the local jurisdictions.

### **2.1.3 Scope of Work**

Because of the sensitive and critical nature of the subject matter the FA Consultant will prepare monthly Executive Summaries. The Executive Summaries will provide a concise synopsis of recent events, document key findings, and recommend critical actions required by the Territory or the Office of the Governor.

The following are specific tasks that will be included in the Financial – Fiscal Advisory Services Task Order:

**2.1.3.1 Social Infrastructure:** Work with the Territory’s Social Service Agencies and Departments to: (a) identify critical missing baseline data, and assist in developing required information; and (b) estimate pre-existing shortfalls (i.e., unrelated to military build-up (baseline condition) on Guam regarding delivery of social services. This would include information on such social services as education, public safety, public health care, childcare, mental health, etc.

**2.1.3.2 Community Infrastructure:** Work with the Territory’s Public Works Agencies and Departments to: (a) identify critical missing baseline data, and assist in developing required information; and (b) estimate pre-existing shortfalls (i.e., unrelated to military build-up) on Guam regarding civilian demand for community infrastructure. This would include information on power, water, wastewater and solid waste facilities.

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**2.1.3.3 Current Fiscal Condition of GovGuam:** Work with Territory to identify critical missing information about the current financial condition of the Territory, and assist in developing such information.

NOTE: for Tasks 2.1.3.1, 2.1.3.2, and 2.1.3.3 where it states “assist in developing” or “estimate pre-existing shortfalls” these efforts may be more collaborative between the Territory, the FA Consultant, and the Navy’s SIAS Consultant, which entails shared resourcing of effort.

**2.1.3.4 Fiscal Impact of Military Buildup:** Work with the Territory to identify critical missing information about project-related financial impacts on Government of Guam, and assist the Government of Guam in gathering such information insofar as it is available from:

- Government of Guam records;
- General population surveys to be undertaken by the Financial Impact Assessment (FIA) consultant;
- Historical experiences from other communities affected by rapid military build-ups, to the extent such experiences are relevant and apply to an island community;
- Independent of the collaborative efforts with the SIAS/EIS team, develop final revenue assumptions needed for a summary cost-revenue analysis, and recommend short-term and long-term financial strategies for addressing both project-related impacts and pre-existing shortfalls.

**2.1.3.5 Collaboration with SIAS Team:** Work collaboratively with the Navy’s EIS/OEIS SIAS Consultant Team on fiscal issues by:

- Participating, as requested, in SIAS work plan development, including discussions about appropriate approaches for estimating indirect and induced project impacts
- Using draft and final data from the EIS/SIAS team – regarding project characteristics and total employment and economic output – to help the Territory estimate project-related impacts on infrastructure and service capacity, and later to structure all draft and final FIS models
- Assisting the Territory in their efforts to assemble timely and standardized information about project related impacts on service and infrastructure impacts – in both the construction and operational phases of the military build-up – as input to the SIAS; such impact information will include specifics of infrastructure, equipment, personnel counts and associated costs by agency
- If and as appropriate, co-sponsoring general population surveys of Guam residents that would provide information of mutual benefit

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- Serving as the primary Office of the Governor (Government of Guam) technical interface with the EIS/SIAS team – sharing relevant information and addressing challenges to accurate analysis such as barriers to realization of economic benefits due to factors like housing and labor shortages or inflation.

**2.1.3.6 Collaborate with EA Consultant** to ensure relevant Environmental findings and/or impacts that are identified in the SIAS are addressed in the FIA.

**2.1.3.7 Financial Impact Assessment (FIA):** the FA Consultant will undertake the development of the FIA, which will tier off the Navy's SIAS. The FIA will take the SIAS identified impacts and translate these impacts into a Financial-Fiscal Impact Assessment. The FIA will factor in the timing of projected revenues streams and determine the impact on the Territory's ability to underwrite some of the Department of Defense generated requirements.

**2.1.3.8 FA Technical Assistance (TA) Services:** the FA Consultant, at the request of the Office of the Governor will provide TA, which may include the following:

- Participate in meetings with authorities and agencies as directed by the Governor's Office and report any relevant findings.
- Conduct Financial – Fiscal Workshops/Meeting. The FA Consultant will work closely with the Office of the Governor on this component. The FA Consultant will facilitate, organize, and staff all Financial/Fiscal meetings or workshops, including taking meeting minutes, preparation of relevant fact sheets and/or presentation materials, and providing necessary supplies. Financial - Fiscal Workshops/- Meeting may include the following: Public Workshops, Stakeholder Meetings/Workshops (stakeholders may include: Federal Agencies/Departments, the Guam Legislature, Military Services, etc.)
- Develop tools to solicit, monitor and report public comments, and provide recommendations for responses to the Governor's Office.
- Recommend effective methodologies that enhance consensus building and/or collaboration between the Territory and the DOD, with the objective to ensure DOD's initiative is successful in the near term but more importantly successful well into the future.
- Provide Financial/Fiscal Counsel/Advice to the Office of the Governor to ensure the Territory makes informed decisions with regard to the Territory's initiatives, which respond to the DOD Program. The FA Consultant should provide monthly Financial-Fiscal Executive

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Summaries, which will enable the Governor to develop and adjust Executive Policies - Guidance.

- The FA Consultant at the direction of the Office of the Governor shall prepare Policy Guidance Executive Summaries, which the Governor may distribute to his Cabinet. The Policy - Guidance Executive Summaries will frame the topic of interest and serve as foundation for encouraging dialogue between the appropriate stakeholders (Cabinet, Legislature, etc) with the goal of reaching consensus on an effective Policy – Guidance.

### **2.1.4 Deliverables**

- A) Provide monthly Executive Summaries.
- B) Provide an Executive Summary of current fiscal condition of Government of Guam.
- C) Provide an Executive Summary of Fiscal Impact of Military Buildup
- D) Provide an Executive Summary of significant data when collaborating with the SIAS team, providing accurate analysis of barriers to realization of economic benefits of key factors, such as labor and housing shortages or inflation.
- E) Provide a Financial Impact Assessment (FIA) for the Territory.
- F) Prepare and produce clear and concise FACT SHEETS and Handouts/Flyers that may be used in outreach meetings to illustrate findings, recommendations, and/or impacts of the buildup.
- G) Provide camera ready reproducible files of all Fact Sheets, Handouts/Flyers and presentation materials.
- H) Monitor, track, and report progress of all ongoing future military and civilian projects. Coordinate and provide technical guidance to the Office of the Governor.
- I) Conduct at the request of the Office of the Governor, presentations to stakeholders, (Cabinet, Guam Legislature, and Professional Groups) completed studies.

### **2.1.5 Cost Proposal for the FA Services**

The FA Services Task Order is not like the Planning Advisory Services Task Order, where there is a well defined process and well defined outcome/product/deliverable. The FA Services are tied to a dynamic DOD Program, which creates some uncertainty. The FA Consultant shall provide cost breakouts for each major task. The task cost breakouts shall be included with the FA Consultant's Total Cost Proposal.

However, the FA Consultant is encouraged to propose innovative or alternative costing methodologies for pricing the FA Services. Any alternatives will not be used in the initial evaluation process (Provision 5.1.7), but will be considered in contract negotiations.