



Commonwealth Utilities Corporation



May 25, 2007

Michael S. Sablan, CPA
Public Auditor
Office of the Public Auditor
Commonwealth of the Northern Mariana Islands
1236 Yap Drive, Capitol Hill
Saipan, MP 96950

Ref: Request for Proposal – CUC RFP 07-001

Dear Mr. Sablan:

This responds to your letter dated May 17, 2007, requesting that the Commonwealth Utilities Corporation (CUC) provide your office with the status of the above referenced Request for Proposal (RFP). CUC's response is as follows.

Pursuant to your instructions dated May 2, 2007, CUC sent a letter to all prospective bidders notifying them of the status of the present RFP and informing them that a protest on the RFP had been filed with the CNMI Procurement and Supply.

CUC hereby provides the following additional status for the RFP for your information pursuant as requested.

- Pre-qualification documents were issued with two time extensions, original deadline by E-Filing on March 12, 2007 (original deadline).
- Pre-qualification documents were purchased with a fee of \$1,000.00 – total of 11 firms participated.
- \$25,000 paid by three (3) proposers. Telesource filed a protest on February 22, 2007. The grounds for the protest were set forth in Telesource's filing before the CNMI Procurement and Supply and with your office. Copies of Telesource's protest were sent by CUC to all prospective bidders on April 9, 2007.
- The same proposer (Telesource) filed a protest to the Office of the Public Auditor – March 30, 2007.
- Pre-qualification stage was closed – April 04, 2007 for E-Filing of the response (and hard copies by April 17, 2007).

CUC is an Equal Opportunity Provider and Employer
Third Floor, Joeten Bandan Building ♦ P.O. Box 501220 CR
Saipan, MP 96950-1220
Telephone: (670) 235-7025/7032 ♦ Facsimile: (670) 235-5131

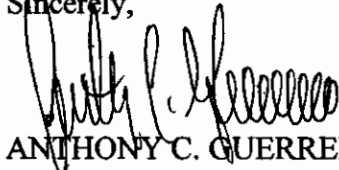
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- CUC P&S downloaded E filed copy on CD and distributed to the following privatization committee members for their review (April 10-11, 2007):
 - Mr. Eloy Inos, Secretary of Finance
 - Mr. Antonio Muna, Special Assistant for Management & Budget
 - Mr. Alan Barak, Assistant Attorney General
 - Mr. Pete Sasamoto, Program Manager, Water Task Force
 - Mr. Rex Palacios, CPA Board Chairman
 - Mr. Herman Sablan, CNMI Procurement & Supply
 - Mr. Anthony Guerrero, CUC Executive Director
 - Mr. Edward Manibusan, CUC Legal Counsel

- Hard copies received from the three (3) proposers are in the custody of CUC P&S, awaiting further instruction from the privatization committee and advice from CUC Executive Director. Further, the CUC awaits the decision of the Office of the Public Auditor on the protest. The protesting proposer (Telesource) did not submit any hard copy documentation to CUC's P&S.

Please let me know if the above information meets your request. Thank you.

Sincerely,



ANTHONY C. GUERRERO
Executive Director

cc: Governor
Lt. Governor
Attorney General
Secretary of Finance
CNMI Procurement & Supply
CUC Legal Counsel

Telesource, Inc. c/o Robert J. O'Connor
O'Connor Berman Dotts & Banes
Leonie Industries
Osaka Gas Co., Ltd.
Pacific Marine Industrial Corporation
Naeway Asset Mgmt Co.
Law Office of Teker Torres & Teker, PC
Man B&W
Unipacific
Leader Universal Holdings Berhad
Pacific Telecom, Inc.
Marubeni Corporation