
Compact Infrastructure Sector Third Quarter 2018 Report



Program Management Unit

July 2018

Palikir, Pohnpei FSM

CURRENCY EQUIVALENTS

Currency Unit – FSM uses the United States Dollar

ABBREVIATIONS

ACE	-	Army Corp. of Engineers
CO	-	Change Order
COM-FSM	-	College of Micronesia
CPUC	-	Chuuk Public Utilities Corporation
DTC&I	-	Dept. of Transportation, Communications, & Infrastructure
FSM	-	Federated States of Micronesia
FY	-	Fiscal Year
IDP	-	Infrastructure Development Plan
IPIC	-	Infrastructure Planning & Implementation Committee
ITR	-	Independent Technical Review
JEMCO	-	Joint Economic Management Committee
OIA	-	Office of Insular Affairs
PMO	-	Project Management Office
PMU	-	Program Management Unit
PUC	-	Pohnpei Utilities Corporation
RFI	-	Request for Information
RFP	-	Request for Proposals
RFQ	-	Request for Quotation

NOTES

- (i) The Fiscal Year (FY) of the Government ends on 30th September.
- (ii) In this report, “\$” refers to United States dollars.

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1. COMPACT INFRASTRUCTURE PROGRAM

1.1. Reporting Requirements

In the “Agreement Concerning Procedures for the Implementation of United States Economic Assistance Provided in the Compact of Free Association, as amended, Between the Government of the United States of America and the Government of the Federated States of Micronesia” is the following reporting requirements:

Article VI Post Award Requirements

2. Program Monitoring, Performance Reports and Records Retention:

(2) The Government of the Federated States of Micronesia shall submit quarterly performance reports on each sector Grant. The reports shall be due 30 days after the reporting period.

(3) The Government of the Federated States of Micronesia and the Government of the United States shall agree on a uniform format for performance reports. Performance reports for each Grant shall contain a summary of the following:

- (i) A comparison of actual accomplishments to the objectives and indicators established for the period;
- (ii) Any positive events that accelerate performance outcomes;
- (iii) Any problems or issues encountered, reasons, and impact on Grant activities and performance measures;
- (iv) Additional pertinent information including, when appropriate, an analysis and explanation of cost overruns.

(b) Construction Performance Reports - quarterly performance reports on each project funded

1.2. Program Highlights for Third Quarter 2018

1.2.1 Consultative Workshop

The PMU and OCM jointly organized a Consultative Workshop in Palikir from April 16-19, 2018. The Workshop attracted over 38 participants from the FSM National and State Governments, the College of Micronesia, OIA, USACE and the U.S Embassy in the FSM. The Workshop was officially opened by H.E Yosiwo George, Vice-President of the FSM with the U.S Ambassador to the FSM, H.E Robert Riley, also addressing the Participants at the Opening Ceremony. The main objectives of the Workshop were as follows:

1. Review Program/Project Management arrangements, clarify any pending “grey areas” and establish actions and timelines to bring PMU/PMOs up to full strength
2. Clarify role, funding arrangements and timelines for the engagement of USACE
3. Identify current bottlenecks and delays in project implementation and agree on an action plan to resolve design/design review issues and bring more projects into construction in the next 6 months
4. Agree on a plan of action to document and streamline the funding approval cycle
5. Agree on a plan of action to standardize processes and documentation, including procurement processes, design codes, contract docs, IMF Submissions, project monitoring tools and reporting.

The Consultative Workshop largely achieved its objectives, and has led to an Action Plan (now being implemented) to improve delivery of the compact-funded Infrastructure Projects. The main elements of the Action Plan include:

- i. Expediting the staffing of the PMO’s, with USACE being requested to assist the Chuuk State PMO to recruit a Manager;
- ii. Addressing implementation delays that have been affecting a number of projects, including the Kosrae State Hospital Project, the Chuuk Dispensaries and the Chuuk Schools;
- iii. Finalizing arrangements for the engagement of USACE, particularly in areas of technical support to get the delayed projects on track;
- iv. Mainstreaming the BCOES process into all pre-construction activities for projects exceeding \$500,000, beginning with the PMU-managed COM Project;
- v. Setting up a working group to develop a set of standard documents for the procurement of consultancy and construction services;
- vi. Initiating actions for the preparation of an FSM Building Code.

The Workshop Participants agreed that this Consultative Workshop should be held at least once a year. Accordingly, the next workshop will be held in April, 2019.

1.2.2 Engagement of US Army Corps of Engineers

During the Reporting Period, further progress was made in finalizing arrangements for the engagement of the U.S Army Corps of Engineers. USACE submitted a revised Program Management Plan on March 18th for review and comments. The Plan envisages the establishment of two offices, one in Pohnpei and the other in Chuuk. The staffing proposed for the field offices will comprise a total of four program managers, two administrative assistants, and a Policy Advisor. The two field offices will be supported by a program management support team based in Honolulu. The program management plan would require a budget of about total

\$2.7 million per year, which does not include the cost of providing project-related services, such as independent technical reviews of design or certification of the BCOES process.

In the meantime, the process of concluding work agreements to meet USACE program support costs for FY18 and to provide specific project-related services is on-going. The Yap PMO has already concluded a Work Agreement for FY18, while Works Agreements for the PMU and the States of Chuuk, Kosrae and Pohnpei are with USACE for signature. Project-specific Work Agreements are also being processed to enable USACE to provide technical assistance services to the PMU, Kosrae and Pohnpei. Chuuk State has also formally written to USACE to request assistance to recruit a PMO Manager.

1.2.3 Status of Program and Project Management Arrangements

The PMU has filled key professional positions and is now fully operational. The Pohnpei State PMO is still being administered by the Secretary of Transportation and Infrastructure on a temporary basis, but a PMO Manager has been identified and is expected to start work on August 1st, 2018. With respect to Chuuk, the Governor has sent a letter to USACE dated May 18th, 2018, to request assistance in recruiting a PMO Manager. USACE have confirmed that they are in the process of identifying a candidate for the position with contract details being negotiated. In Kosrae, the PMO office is still being managed solely by the PMO Manager, pending the conclusion of arrangements to provide office space and support staff. Designs for a PMO office are being prepared by an Architectural firm from the Philippines and are now about 50% completed. The PMO office in Yap is well staffed with a staff complement of seven (7) persons, including the PMO Manager (a certified Architect), a Resident Engineer and administrative staff. An additional Architect is being recruited.

1.3. Program Status

There are currently twenty-nine projects under active implementation with a total estimated investment budget of about \$105 million. Most the projects (26 of the 29 projects) are in the planning and design phase. One project is under construction (carried over from the previous IDP), another one is ready for contract award pending the finalization of negotiations on some of the bid prices and the other project (Weno Road Project) has been completed and is now in the financial closure phase.

2. NATIONAL GOVERNMENT

2.1. Project Management Unit

The key professional staff for the PMU were recruited during the second quarter of FY18 and the two experts, namely, the PMU program manager, and the contracts management specialist, started work in January, 2018. The contract with the Resident Engineer in Chuuk expired in March, 2018 and, with the completion of the Weno Road Project, it was decided that there would be no further extension. The PMU is fully operational with a staff complement of four persons. As per the PMU mandate set out in the IDP, the focus is now on program management and oversight.

A budget request has been submitted to the FSM Congress for an appropriation to fund the PMU operations in FY19. In this regard, the PMU Program Manager participated in at least three (3) budget hearings to justify the FY19 budget. A written response was also provided to a number of questions raised by the Congressional committee on Transportation, Communications and Infrastructure. It is expected that the budget for the PMU operations for FY19 will be approved at the regular session of the FSM Congress in September.

2.2. Weno Road

Weno Road, Drainage and Utilities Upgrade; Phase 1

Contractor:	GPPC, Inc.	
Contract #:	CK0374	
Contract Cost:	Original	\$3,986,154.41
	Revised	\$8,361,445.05
Start Date:	November 24, 2014	
Completion Date:	Original	October 19, 2015
	Revised	February 9, 2018

The Certificate of Final Substantial Completion has been issued and the final payment from the Contractor (GPPC) has been processed. Some defects have been noted on the road sections completed by the first Contractor (PII International) and the Chuuk State Government has requested the PMU to make arrangements to repair these defects before the Project is handed over to Chuuk State. Accordingly, the PMU Program Manager and one of the DTC&I Engineers inspected the defects (mostly cracks in the PCCP concrete) and a draft bidding document has been prepared to enable the PMU to engage a local Contractor to repair the cracks. The cost of the repairs will be funded from the balance of funds remaining from the Congressional appropriation. Now that the final payment has been processed, the only issue remaining to resolve relating to the Contract with GPPC, is the Contractor's Claim for Stand-by time which is being evaluated by the PMU. The Contractor is also seeking compensation for left over aggregate material. This matter is under review by the PMU and Chuuk State.

2.3. College of Micronesia (COM) Project

Designer	Beca International	
Design Fee:	Original	\$707,042
	Revised	\$797,682
Contract #:	C170247	
Start Date:	May 8, 2017	
Completion Date:	Original	December 31, 2017
	Revised	July 5 th , 2018

Status of Designs

The designs have been completed by Beca International and arrangements are being made to carry out an Independent Technical Review (ITR) by USACE. The work agreement to undertake the ITR has been approved by the FSM President and endorsed by the USACE Program Manager. A grant has also been approved by OIA and it is expected that the Work Agreement and the related financial disbursement to USACE will be conclude in August so that the ITR can be completed by the end of September, 2018.

Construction Management Services

A Request for Proposals (RFP) was advertised in April, 2018 and five (5) responses were received. The Proposals have been evaluated by a Committee set up by the Secretary of DTC&I, and including an observer from the FSM Department of Justice. The Evaluation Committee’s Report has been approved by the Contracting Officer and the first-ranked firm has been invited to submit a fee proposal. It is expected that the contract for the provision of construction management services will be concluded by the end of September.

BCOES Process

At a meeting with USACE on July 26th, the modality for carrying the BCOES process was discussed and agreed. The biddability Review will be carried out in-house by the PMU, while the constructability review will be carried out by the firm that will be contracted for the construction management services. The PMU and COM will undertake the operations and sustainability aspects of the BCOES process. The environmental approvals have already been secured from the Pohnpei State EPA office.

Construction Contract

The PMU and COM, in consultation with the Design Firm (Beca) and USACE are proceeding with a contract to demolish the old building at the Pohnpei State Campus where the new Technical and Vocational Center will be constructed. Bidding documents for the demolition have been prepared and will be advertised during the next quarter. This will save time once the main construction contract is awarded in the second quarter of FY19.

3. CHUUK STATE

3.1. Chuuk PMO

The Chuuk PMO is operational, but the key positions of PMO Manager and Contract Specialist are still vacant, more than one (1) year after the establishment of the PMO Office under Chuuk State Law No. 13-16. The following table presents the present staffing situation.

Position Description	Status/Person holding the position
Project Manager	Vacant (USACE has been requested to assist in filling the position)
Contracts Specialist	Vacant (Repeated attempts have been made to fill the position locally)
Administrative Officer	Keim Mathias (Acting PMO Manager)
Fiscal Officer	Minoru Stephen
Accountant	Ann Nakamura
Secretary	Florence Mefy
Land Acquisition Specialist	Kezra Ezra
Engineering Consultant	Seriola and Associates, Inc
Inspectors (4 No.)	Benisio Jose, Constantine Dungawin, Amada Uehara and Loserino Oran
Boat Operators/Drivers (2)	Pitson Sally and Aku Yos

By later dated May 10, 2018, the Governor of Chuuk has requested assistance from USACE to fill the vacant PMO Manager position. Further discussions on the matter between the PMU Program Manager and USACE have indicated that USACE is working with a consulting firm active in the region, to identify a professional engineer who is willing to take up the position for one year in the first instance. It is now expected that the position will be filled during the first quarter of FY19.

The Organizational Chart of the Chuuk State PMO is shown below.

Chuuk State Project Management Office Organizational Chart



The Chuuk State PMO has set up its own website to publicize its activities:

<http://www.chuukpmo.org>

The PMO continues to lease 1,440squarefootspacein a newlyConstructed building which houses the National Finance and Customs & Tax Offices downstairs. OfficeVehicles consist of 2 NissanX-Trails and a HyundaiTucsontruck. The PMO also has a Yamaha Fiber-Glass boat, and Yamaha 90HP outboard motor to get around the islands within the lagoon.

The key challenge faced by the Chuuk PMO is to increase its portfolio of projects under implementation. The IDP recommends an allocation of 5% of total investment cost as project management expenses. With a budget of \$1,398,400, the Chuuk State PMO should be aiming to deliver about \$28 million in projects, a year. The engagement of USACE to assist in filling the PMO Manager position and to provide technical support, is a positive development. The filling of the Contracts Specialist position also needs to be given attention.

In the meantime, the PMU will continue to provide technical support to the PMO Office to fill the capacity gap pending the recruitment of the PMO Manager.

3.2. Tonoas Water System Rehabilitation

Designer:	CPUC
Grant Amount	\$750,000
Grant Number:	
Contractor:	CPUC
Start Date:	October, 2017
Completion Date:	August 31, 2018

The Project is to refurbish the water treatment plant to enable the Tonoas Water System to provide safe drinking water to CPUC's customers on Tonoas Island. Implementation progress is summarized below.

Pumps, motors, valves and fittings were delivered in June 2018 and the valves and fittings are now being installed by CPUC mechanical staff at the WTP site. The 3 containers of filter sand were also delivered in June. Arrangements are presently underway to ship the larger items from Weno to Tonoas such as the pump/motor sets, float control valves and some 60 slings of filters sand. This is likely to be on the Chief Mailo ship together with materials required for the CPUC power distribution installation. Installation of these items will be in July.

Blue Flag Construction continue with their civil works contract and the Substantial Completion Certificate for their main works was issued on June 12, 2018. The existing filter media has been washed and the old under drains in the two filters have been replaced. Existing media has been graded and cleaned and placed over the new under drain system. The three container loads of filter sand will serve as the top filtration layer. Filter backwash pipe work has been installed and backwash troughs have been manufactured locally. These will be installed by the end of June.

The upper reservoir works have been completed with roof and fencing. The new generator has been installed. Installation of the pumping equipment has commenced. Blueflag Construction will complete their remaining minor works and painting by mid July 2018. This includes some additional works on the filters.

The raw water intake has been cleared by local labor. In the next phase of the project the intake gravel intake will need attention and some landslide areas checked to ensure there is no by-pass flowing past the intake. The Operations and Maintenance Manual is under preparation.

The photographs below depict the progress being made on the physical works.



Work in Progress on the Filters Pumps and Motors delivered

3.3. Chuuk Lagoon Dispensaries

Designer	Beca International
Design Fee:	\$149,113
Contract #:	IDP-A-002
Start Date:	Sept, 2010
Completion Date:	April, 2011
Geotechnical Survey– Phase 1	Geo-Engineering and Testing
Fee for Phase 1	\$7,000
Start Date:	February 27, 2018
Completion Date:	March 27, 2018
Geotechnical Survey- Phase 2	Geo-Engineering and Testing
Fee for Phase 2	\$44,000
Completion Date	August 31, 2018

Prototype designs were developed by Beca in 2011. In the Design booklet provided by Beca, a number of site parameters need to be assessed, prior to the finalization of the designs. These include the soil strength capacity, water table elevation and the soil infiltration capacity. Accordingly the Chuuk State PMO contracted Geo-Engineering and Testing, Inc to undertake the geotechnical survey, in two phases, a reconnaissance phase and an investigative/testing phase. The first phase has been completed and a contract for the second phase has been finalized. The geo-technical investigation is expected to be completed by the end of August, 2018, after which the designs and bidding documents will be finalized. Arrangements for the BCOES process are being made. It is expected that the PMO Office, with technical assistance

from the PMU and USACE, will undertake the constructability and biddability reviews as soon as the bidding documents are ready.



Geotechnical Survey Team examining one of the sites of the Dispensaries

3.4. Chuuk Schools Project

The Chuuk Education Projects include construction of new classroom buildings, upgrading of existing school buildings, school offices, libraries, science laboratories, toilet facilities, rainwater supply catchments system, perimeter fence, and other school facilities. The four High Schools will be two-story, 18 classroom buildings and will provide a science laboratory, library, students' dormitory and cafeteria. The three elementary schools will be one story, 9 classroom typhoon-resistant buildings and will provide special facilities for disabled persons, toilet facilities with water sources, administrative office, and storage areas.

The Chuuk State PMO continue to face difficulties in contracting an A&E firm to prepare the detailed designs and bidding documents. A new Request for Qualification has been advertised but received comments from the PMU and OIA. The PMU noted that the RFQ needs to provide more information, should be less restrictive, and will need to be disseminated more widely, if a better rate of response is to be achieved. OIA raised concerns about the design criteria set out in the RFQ. The PMO Office took a decision to extend the closing date for the receipt of qualification statements, pending a further review of the RFQ Notice during the proposed mission of the PMU and USACE to Chuuk in late July, 2018.

Problems are also being encountered in securing land titles for 3 of the 7 schools. Accordingly, only four schools are ready for implementation.

The current status of the seven school projects, is elaborated in the Table below.

School Location/Type	Estimated Budget	IPIC Approval	JEMCO Approval	Land Title Certificate	Conceptual Design	Consultation with DOE
Eot Elementary School	\$559,000	Yes	Yes	Yes	Yes	Yes
Ettal Elementary School	\$240,000	Yes	Yes	Yes	Yes	No
Pwene Elementary School	\$812,000	Yes	Yes	No	Yes	Yes
Weipat High School	\$3,586,000	Yes	Yes	Yes	Yes	Yes
Faichuck High School	\$3,820,000	Yes	Yes	No	Yes	Yes
Mortlock High School	\$3,883,000	Yes	Yes	No	No	No
Southern Namoneas High School	\$1,518,000	Yes	Yes	Yes	Yes	Yes

4. KOSRAE STATE

4.1. Project Management Office

4.1. Project Management Office

During this quarter the Yap PMO and an Architectural firm from the Philippines (called “ 9 Cubes”) have continued to work on the KPMO office rehab design. The drawings are currently at the 50% stage. The estimate ready to advertise bid documents will be complete by the end of August, 2018.

The Work Agreement for FY 18 USACE Home Office Support to KPMO has been signed by State officials and forwarded to USACE in late April. Signature by USACE has been held up for delegation of authority by the National Government to the State Governments and for Service Request letters to be submitted by the States. However, the Delegation of Authority issue has been resolved and the Work Agreement is expected to be finalized in the coming weeks.

Staffing situation of the Kosrae State PMO is as follows:

Position	Current Status
PMO Manager/Contracting Officer’s Representative	Position filled by Bruce Howell
Finance Officer	Vacant. Position to be announced in September, 2018
Assistant Engineer	Vacant. Position to be announced in September, 2018
Administrative Assistant	Vacant. Position to be announced in September, 2018
Planning/Supervising Engineer	Vacant. Position to be announced in September, 2018
Contract/Supervising Engineer	Vacant. Position to be announced in September, 2018

4.2. Kosrae Hospital Temporary Facilities

Grant: \$292,000 (received August 10, 2016)
 Grant Award Number: D16AF00054
 Designer: Beca Consultants
 Contractor: Abcor Engineering& Construction Inc
 Contract Number: C91568

Contract Start Date: January 9, 2017
Date of substantial completion: August 7, 2017
Final cost: \$302,323.95

Final as built drawings and O&M manuals were received during this period. The final payment has been made and the contract is closed.

One warranty item for an air conditioning condensate line leak in the dental clinic is still outstanding. The PMO is making regular follow ups the contractor.

The Department of Health Services (DoHs) has cleaned up the water damage from last quarter's flood and done an intensive cleanup of the exterior of the Public Health Building. Public Health personnel have not occupied the building yet. Warranty inspection will be held next quarter.

The Contractor has submitted the as built drawings and operations and maintenance manuals, which have been reviewed and approved. Final documents to be received early next quarter. The building is being monitored for warranty defects, which has resulted in two warranty issues reported. The Contractor has repaired one and the second is in progress.

4.3.Arthur P. Sigrah Memorial Hospital Construction

Designer: BECA Consultants

A meeting was held with the KIRMA Director during this period to update him on the status of the project and to confirm the KPMO's commitment to incorporate sedimentation and erosion control and climate proofing features into the design and submit as an amendment to the permit application. No official comments have been received from KIRMA on the application yet. Development Review Permit is needed to comply with the BCOES process before rebidding can proceed.

The first bidding process was cancelled in its entirety on March 26 and bidders notified accordingly.

4.4.Arthur P. Sigrah Memorial Hospital Independent Technical Review of Design

Contractor: USACE

Grant Award Number: D16AF00039-20:\$470,725

Grant Expiration Date: March 31, 2018

Fund and Program account: A3-19-04-14-19040-16/8310

Contract Number: C101177

Original Cost: \$221,000.00

Project Start Date: November 15, 2017

Original Contract Completion Date: None

Current Contract Cost: \$221,000.00

Percent Complete: 90%

The USACE ITR was submitted to Beca for comments and USACE is currently awaiting action by the KPMO to have the ITR comments incorporated into the design at which point, they will conduct their final backcheck review. The first step in this process it to evaluate Beca's response to the ITR comments. This process is now ongoing.

4.5. Arthur P. Sigrah Memorial Hospital Response to ITR Comments

Grant Award Number: D16AF00039-20:\$470,725

Grant Expiration Date: September 30, 2018

Contract Number: C107669

Original Cost: \$17,550.00

Project Start Date: June 27, 2018

Original Contract Completion Date: 8/10/2018

Current Contract Cost: \$17,550.00

Percent Complete: 0%

Current Estimated
Completion date: August 22, 2018

Contract terms and fee were resolved during this period. The notice to proceed was issued on June 27th. KPMO and PMU met with Beca officials on June 17th. At that point Beca was anxious to start and confident that they could have the initial response issued in 2-3 weeks from the Notice to Proceed. As of this date Beca have advised target date for completion of initial comments for July 20th.

4.6. Arthur P. Sigrah Memorial Hospital Construction Management

Consultant: Leo A. Daly

The PMO continued to negotiation the constructability fee with LAD this period. The fee was reduced from \$167k to \$151k. After review by USACE, PMO requested in mid-June a more detailed breakdown of the LAD fee including direct hourly labor rates and overhead and profit rates. On July 6th LAD advised the PMO that they were withdrawing from the project stating the long period of time that has expired and no contract has been executed. Second most qualified consultant for this work has been requested to update their Statement of Qualifications submitted in January 2017 for consideration by Kosrae State.

4.7. Malem Elementary School Improvement

During this period a deed for sale of parcel 13 M 15 has been located. After consultation with the Land Court a hearing must be conducted with the Government and previous owner before the Certificate of Title can be issued. The AG’s office is assisting with filing the petition for the hearing.

In the coming quarter, KPMO will request assistance from USACE for procurement of design services for this project.

4.8. Port Improvement

Grant amount:	\$100,000
Grant Award Number:	D17AF00015-00020
Contractor:	JS Construction and Furniture
Contract Number:	C104132
Original Cost	\$83,400
Project Start Date:	February 27, 2018
Original Completion Date	June 15, 2018
Estimated Completion Date	September 4, 2018
Per Cent Complete:	28%

The contractor has completed all demolition work and 90% of the concrete work. Work was suspended on June 12th due to lack of fencing materials. On June 13th the contractor was officially asked to provide the estimated arrival date of fencing materials and the estimated completion date of the project. Estimated arrival date for materials per shipping schedule is July 24, 2018.



**Grass overtaking fence line on east side of dock
fence post bases on the west side of the dock**



Recently constructed

4.9. Peace Corps Volunteer Office Renovation

Grant amount:	\$36,000
Grant Award Number:	D17AF00059
Grant Expiration Date:	September 30, 2018
Contractor:	TE Construction
Contract Number:	C101680
Original Cost:	\$36,300.00
Project Start Date:	October 2, 2017
Original Contract Completion Date:	December 30, 2017
Estimated Completion Date:	April 30, 2018
Current Contract Cost:	\$36,300.00
Percent Complete:	100%

The project was completed and final acceptance was achieved on May 9th. The final payment has been made and the contract is closed. The project will be monitored over the next year for warranty defects.



Septic Tank Completed

4.10. Utwe Water Project

In late April and May DT&I, KUA and Orion jointly operated the treatment plant. This work included cleaning of river bed filter, roughing filter and the slow sand filters and testing pumps for operation. The chlorination system was tested but it was found that chlorine provided by contractor in 2016 had already expired and the required chlorine level in the treated water could not meet the required standard. DT&I attempted to purchase chlorine from PUC but was unsuccessful. Chlorine will be ordered in the coming quarter. The Contractor, Orion, has expressed a willingness to turn over the facility after the expiration of electrical and mechanical equipment warranty on July 16th. It is anticipated that the system operation will start with the Treatment plant and one segment of the distribution system on the Utwe to Walung road as soon as service lateral leak repair in the segment is completed. Remaining segments along Yelum road, and from Utwe village to Malem will be activated once service lateral leak repairs in these areas are completed. The remaining issues to be addressed prior to contract close out are:

- Contractor provides unused materials and spare parts that were not available during the recent turn over process.
- Replace spare part used during warranty period.
- Submit laminated As Built Drawings and O&M manuals
- Provide and install personal protective gear cabinet that meets contract specs.
- Provide water quality test that meets contract requirements.

During this period, DT&I procured materials needed to replace the portion of the distribution network that is in Malem Municipality. About 90% of the materials are on hand now and remaining in shipment. Estimate installation work will begin in second week of July.

5. POHNPEI STATE

5.1. Project Management Office

The PMO office is fully operational although a few key vacancies remain, the most critical one being the vacant position of PMO Manager. A US-certified Engineer has been selected for the PMO Manager position was interviewed and will assume duties on August 1, 2018. An IT Officer has also been hired, along with two Quality Assurance Officers.

The status of expenditures vs budget for FY 18 is shown in the Table below.

Category	Budget	Encumbrances	Expenditure	Balance
Personnel	304,230.00	0	166,847.55	137,386.45
Travel	15,000.00	7,445.33	12,280.73	2,719.27
Contractual Services	62,300.00	3,774.15	30,481.59	24,375.08
OCE	27,820.00	0	13,222.93	10,822.92
Fixed Assets	0	0	0	0
TOTAL	409,350.00	11,219.48	222,832.80	175,297.72

5.2. Sekere to NMS Waterline Phase 1 Segment 2 COM to Diadi

Design: Lyon Associates, Inc.
 Design Fee: \$425,554
 Grant #: GRX0074
 Contractor: ABCOR Engineering & Const., Inc (Pending)
 Bid Amount: \$6,077,270.53

Project Summary:

The project start point is at the existing 12-inch pipe and gate valve located at Paliker COM Campus and will extend the waterline approximately 8.7 miles to Diadi, Kitti. The waterline will consist of 8, 10, and 12-inch HDPE pipe along with all fittings, valves, and other components as required for the complete installation. Additionally, a 500,000-gallon water tank is to be installed in Peleng, Kitti.

Project Status

The Grant has been awarded and the funds appropriated by the Pohnpei State Legislature. The Contractor has been selected. However, since the original bid for construction was received over two years ago, the Contractor has been allowed to update its bid prices. In this regard, Abcor submitted updated prices which increased the bid amount for pipes and fittings by about \$273,311.64. PNI-PMO is soliciting bids from another Supplier to be able to confirm the

increased prices from Abcor. However, the bid price for the tank has been confirmed. As soon as the increased prices can be confirmed, the contract will be executed and the Notice to Proceed issued. It is expected that the NTP will be issued before the end of July, 2018.

5.3. Kinakapw to Lehn Diadi Waterline Phase 1

Designer:	Lyon Associates, Inc.
Design Fee:	\$858,996 (inclusive of Modifications)
Cost of design modifications:	\$30,000 (estimated)
Estimated Construction Cost:	\$6 - \$8M
Contractor:	To be selected through competitive bidding

Project Summary:

The project will extend the 8-inch waterline from the existing Kinakapw 500,000-gallon water tank to the Lehn Diadi Bridge. Project is composed of five (5) segments as follows:

1. Segment #1 Circumference Road is approximately 6.3 miles in length and is composed of eight and 10-inch new water mains. Segment starts at the existing gate valve located near the Kinakapw water tank and extend along the circumference road to the Lehn Diadi Bridge.
2. Segment #2 – AreuPah is approximately one-mile in length and consists of an 8-inch water main. Segment starts at the circumference road and serves the AreuPah area of the island.
3. Segment #3 – AreuPowe is approximately one-mile in length and consists of an 8-inch water main. Segment starts at the circumference road and serves the AreuPowe area of the island.
4. Segment #4 – Lukop is approximately 2.3-miles in length the water main consists of 8-inch and 10-inch pipe. The segment starts at the circumference road and serves the Lukop area of the island. There are two existing wells connected to this section.
5. Segment #5 – Lukop to Kipine is approximately one-mile in length and consists of an 8-inch water main. There are two existing well connected to this section.
6. This project also includes water service laterals for future residential hook ups, 4 well head improvements, and a 500,000-gallon storage tank located in Mesihsou.

Project Status

The Project design is being reviewed by USACE. There were delays in finalizing the USACE engagement as the authority to sign USACE work agreements by the State had to be delegated by the National Government. As soon as the USACE will give a greenlight to go ahead, PMO will advertise the project for bidding.

5.4. Design of Pohnpei Primary Health Care Facility

Designer:	Leo A. Daly
Contract Value:	\$747,500(inclusive of modification)
Contractor:	To be Competitively Bid
Preliminary Budget:	\$5,500,000
Start Date:	August 17, 2010
Estimated Completion Date:	July 31, 2018

Project Summary:

The Primary Healthcare Facility consists of two (2) building with a total square footage of 13,308. Building 1 (8308 sq. ft.) houses public health and Building 2 (5,000 sq. ft.) house dental and contagious health.

Project Status

The design process is ongoing but the process is slow. The re-location of Leo A Daly's Office from Honolulu to Omaha in Nebraska is having an effect on the design process. The Designer submitted the 60% level designs in January, but the PMO did not consider them acceptable. Some of the design work did not seem appropriate for local conditions. Accordingly there are ongoing design issues that are slowly being resolved. The PMO has submitted proposed design modifications which are expected to be incorporate in the revised 60% submittal, to be received in July, 2018. Some of the modifications include the following:

- Removal of outside air provision to air conditioned spaces
- Removal of fire walls
- Simplification of the firm alarm system.

5.5. PICS &PHS Library/4-Classroom Buildings

Designer:	Leo A. Daly
Design fee:	\$445,371
Start Date:	September 10, 2010
Completion Date:	April 30, 2016
Contractor:	To be competitively bid
Preliminary Budget:	Construction \$4,500,000

This project is design of a Library/4-Classroom Building for the Pohnpei Island Central School (PICS) in Nett and Pohnlangas High School in Madolenihmw.

Project Status:

The “Ready to Advertise” plans and specifications for the PICS Library and Classroom were sent to USACE on January 17, 2017 for an Independent Technical Review. However, the Work Agreement has not yet been signed by the two parties. There have been delays due to the issue of the Delegation of Authority (now resolved). It is expected that the ITR will be concluded during the next Quarter.

There is an unresolved issue relating to the site investigation for the Pohnlangas Library and Classroom. The geotechnical report was sent to USACE for an expert opinion on the Designer’s request for further site investigations by a boring test. The PNI-PMO questioned the need for a boring test due to the Geotechnical Engineer’s recommendation for mass excavation and a spread footing rather than the Designer’s recommendations for micro piles.

In conclusion, the design of this project is awaiting the go-ahead from USACE, to advertise the Project for bidding.

5.6. PICS High School Science and Math Building

Designer:	TG Engineers (pending)
Design Fee:	\$404,569
Surveyor:	Pacific Survey Company
Survey Fee:	\$3,500
Preliminary Budget:	\$4,200,000
Contract Cost:	To Be Competitively Bid

Project Summary:

This is the design and construction of new Math and Science facilities on the PICS Campus, Kolonia, Pohnpei. Proposed facility design is a two story 'H' structure with up to 24 classrooms, science laboratories, restrooms, and common space. Proposed building site is to replace the existing Math and Science building with space for an additional 'H' structure building to replace the existing Social Studies building and an existing English building. Building construction to be reinforced concrete post and beam with CMU walls over tin roofing.

Survey drawings have been used to establish long term development plans that include the placement of these buildings as well as the Library/Classroom building designed by Leo A Daly, temporary use cafeteria facilities, and placement of the new cafeteria/multi-purpose building.

Project Status

Design fee negotiations with TG Engineers completed. The grant to meet the design costs has been approved by OIA, and appropriated by the State Legislature. Once the funds are allocated by the State Budget Office, the design contract will be signed and the Notice to Proceed issued. The design contract with TG Engineers of Guam has been prepared and submitted to the AG’s office for review and signature.

5.7 Substance Abuse and Mental Health Facility

Design Fee: \$462, 317.27

Designer: PRYZM Consulting LLC

Grant #: D18AF0007

Design Modification: None

Project Summary

This is to construct a 9,500-sf facility for Substance Abuse and Mental Health. The building has 4 seclusion rooms to house violent patients; 2 for each male and female ward. There are separated male and female wards with 4 beds each ward and have central nurse station. There are consultation rooms, kitchen and dining, conference room, Director’s and staffs’ offices, lounges, electrical and mechanical rooms, visitor room, laundry and supply room. The facility is estimated to cost approximately \$4M including furniture, fixture and equipment.

Project Status

The grant was issued on June 5, 2018 and is now with Legislature for appropriation. Once the grant is appropriated, design contract will then be executed and the preparation of designs will commence as soon as issuance of Notice to Proceed.

5.8 Lukop and Ohmine Elementary Schools

Designer: Fee negotiation with TG Engineers

Surveyor: Pacific Survey

Contractor: To be competitively bid

Preliminary Budget:

- Construction Lukop Elementary School \$2,213,000
- Ohmine Elementary School \$3,307,000
- Design Modifications: None

Project Summary

The School projects are based on design components taken from the PICS Math/Science buildings to form and establish standard building blocks.

Lukop - The design of a new 8-classroom building, restrooms, multi-purpose/Gymnasium and parking lot.

Ohmine - The design of a new 17-classroom building, restrooms, multi-purpose/gymnasium and parking lot. Additionally, the Ohmine project include the remodel of existing building to be remodeled and converted for use as the ECE. Survey drawings have been used to establish project development including the placement of new buildings, and parking lots.

Project Status

Design documents have been prepared and issued to establish the design fee with TG Engineers.

5.9 Activities under the IMF Fund

Ohmine Elementary School Two-Story Building \$ 120,563.60

- Ohmie Elementary School Building Renovation is in progress. The contractor had completed the installation of the new roofing system. The progress works is about 90% of the total scope of works.

Pehleng Elementary \$ 25,353.00

- Pehleng Elementary School Building renovation is 100% completed based on the scope of works.

Bids were opened for the following Projects during the previous reporting period but contracts not yet awarded.

- Palikir ECE School Renovation
- Palikir Elementary School Renovation
- Nett ECE School Renovation
- PICS Carpentry Shop Renovation

6.YAP STATE

6.1 Project Management Office

The PMO now has a staff of 7 persons as follows:

- Project Manager
- Project Manager Assistant
- Resident Engineer
- Fiscal Officer
- Quality Assurance Representative I & II
- Administrative Officer

The office is in the process of hiring a Project Architect, who is expected to be on-board during the next quarter.

In terms of operating assets, two new vehicles have been purchased and currently, the PMO Office now has three vehicles in use. Office furniture, like computer set, office desks and chairs for the staff were received and put in their designated place along with the respective safety equipment and phone systems. In addition, PMO set up a small but adequately equipped conference room to accommodate incoming coordination meetings concerning PMO projects and operations.

The status of expenditures vs budget for FY 18 is shown in the Table below.

Category	Budget	Encumbrances	Expenditure	Balance
Personnel	147,465.00	0.00	103,751.97	43,713.03
Travel	15,000.00	0.00	12,023.27	2,976.73
Contractual Services	193,135.00	7,401.00	165,229.11	20,504.89
OCE	39,400.00	1,727.01	29,691.27	7,981.72
Fixed Assets	105,000.00	9,000.00	95,482.94	517.06
TOTAL	500,000.00	18,128.01	406,178.56	75,693.43

6.2 Woleai High School

PMO staff have carried out a site visit and have prepared a Master Plan for the Woleai High School with conceptual designs and a budget. The preliminary budget is \$6.5 million as shown in the Table below.

Project Title: Woleai High School Replacement		
Proposed Development	Area (sq.ft.)	Estimated Preliminary Budget Cost
1. Campus Redevelopment		\$ 6,988,000
2. Administration Building	3,000	\$714,000
3. 2 Classroom Blocks	4,284 (each)	\$2,039,000
4. Computer-Science Building	4,100	\$1,025,000
5. Pavilion	2,100	\$420,000
6. Toilet Facility	750	\$238,500
Total		\$11,424,500

The PMO has prepared a draft RFP to engage an A&E firm to develop detailed designs and bidding documents for priority components of the Master Plan. The RFP is expected to be advertised in the next Quarter.

6.3 Yap High School

The PMO staff have developed a master plan for the Yap High School. The Plan envisages an investment of over \$13.6 million in new facilities, including site development, a student recreational center and new classrooms. There will need to be a prioritizing of the additional facilities so that the improvements to Yap High School can be phased in a rational manner. Details of the Masterplan are shown below in the following Table.

Project Title: Yap High School Redevelopment		
Proposed Development	Area (sq.ft.)	Estimated Preliminary Budget Cost
1. Campus Redevelopment		\$ 2,836,000
2. Student Recreational Center	18,800	\$4,580,000
3. 4 Classroom Blocks	2,394 (each)	\$2,124,000
Total		\$9,540,000

6.4 Colonia Middle School

The PMO staff have developed conceptual designs for new classroom blocks, a single-story classroom block with computer library and a two-storey classroom building. Preliminary budget cost estimates have also been developed which indicate a total cost of about \$2.1 million for a 4-classroom block with computer library and \$2.5 million for an 8-classroom two-story block. As with the Yap High School, there will be a need for a discussion on priorities. The Table below provides a breakdown of the proposed development for Colonia Middle School. A draft RFP has been prepared to engage an A&E firm to prepare the designs and bidding documents. The RFP will be advertised during the next quarter.

Project Title: Colonia Middle School Redevelopment		
Proposed Development	Area (sq.ft.)	Estimated Preliminary Budget Cost
1. Campus Redevelopment		\$ 1,454,000
2. Two-Storey Classroom Building	10,472	\$2,567,000
3. Classroom Block	5,913	\$2,100,00
Total		\$6,121,000

6.5 Colonia Wellness Center

This project is being co-financed with the Government of Japan and has been proposed in the Annual Implementation Plan for FY19. Architectural and structural drawings were done and undergoing minor revisions to take into consideration the expansion and construction of the second floor area which will house a multi-purpose activity center.

Additional budget to be allocated from the Compact Sector Grants Fund is being eyed to supplement the initial fund of \$90,000 donated by the Japanese government.

6.6 Refurbishment of YSPSC Water Tanks

Completed Tender Document for the Refurbishment of the YSPSC Potable Water Tanks (Tank No. 1, Tank No. 2 and Daboch Water Tank). Solicited proposals for Engineering Assessments of the two water tanks were obtained from Consultants from Guam for consideration in the amended scope for refurbishment of the tanks as agreed with the owners (YSPSC). In the event that the estimated cost of repairs and refurbishments exceed the approved budget, request for supplemental funds will be submitted to OIA for this project. Expiration date of Grant Status was agreed upon to be extended.

Costs will be finalized once the quotations for the structural assessments for Tanks 1 and 2 are considered and decided by the management of YSPSC. The tendering for construction documents shall follow after the assessments and additional scopes are determined and agreed upon by the governing body.

6.7 Historical Preservation Office (HPO) Building Extension Project

Revisions were incorporated in the design of the Yap Historical Preservation Office Extension to consider requirements of the owner. The building extension area is approximately 738 sq.ft. The estimated cost for the project is \$140,500. Tender documents for construction bid were updated for review and approval.

6.8 Woleai Dispensary Expansion

The proposed expansion of the Woleai Dispensary was conceptualized by PMO. The building extension area is approximately 5,500 sq.ft. and estimated preliminary budget costs of \$975,00. The drawings were presented to the Department of Hospital Services for their review and comments. Awaiting a joint meeting for this purpose.