

Compact Infrastructure Sector 2nd Quarter 2020 Reports



Program Management Unit
April, 2020
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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COMPACT INFRASTRUCTURE PROGRAM

1.0. Reporting Requirements

In the “Agreement Concerning Procedures for the Implementation of the 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

1.1. Program Highlights for Second Quarter 2020

1.1.1 Impact of the COVID-19 Emergency

Progress on the implementation of the Compact-Funded Infrastructure program has been severely affected by the COVID-19 Emergency. Given the limited number of FSM Contractors with capacity to bid on medium to large infrastructure projects, it would be difficult to ensure a competitive bidding process for projects larger than about \$1.0 million. Accordingly, the focus is now on completing the design and design review process for as many projects as possible so that these projects can be put out to bid once the COV-19 Emergency is over. Furthermore, with the JEMCO decision to allocate up to \$7.0 million in funding to meet the COVID-19

Emergency, the PMU and PMO Offices are now involved in providing technical inputs for the implementation of infrastructure to meet the Emergency. These projects include the construction of quarantine facilities, isolation rooms and the procurement of emergency medical equipment and supplies.

1.1.2. Status of Program and Project Management Arrangements

The PMU, the PMO Office in Chuuk and the PMO Office in Yap remain fully staffed and operational with a full complement of professional and support staff. This means that 3 of the 5 Program/Project Management Offices are fully staffed and operational. The PMO Office in Kosrae is fully staffed at the professional level with a manager, who is a registered Engineer and an Architect who is professionally qualified. In Pohnpei, the former Manager left for family reasons and two of the technical staff resigned. However, an Acting PMO Manager has been appointed and an Engineer (a Micronesian National) has been hired as one of the Construction Managers for the Office.

1.2. Program Status

The PMU, in consultation with the State PMOs has recently prepared an overview of the entire Compact-funded infrastructure program, setting out the status of all projects, and updated cost estimates. The overall program status is as follows:

| Gov't | No. of Projects | Cost Estimate (\$ millions) | Remarks |
|--------------|-----------------|-----------------------------|-------------------------------------------------------|
| National | 5 | 25.9 | Shortfall of about \$8 million projected |
| Chuuk | 35 | 148 | Shortfall of about \$39 million projected |
| Kosrae | 7 | 29.2 | Funding availability adequate to complete the program |
| Pohnpei | 17 | 74.9 | Funding availability adequate to complete the program |
| Yap | 8 | 23.9 | Sufficient projected balance for new projects |
| Total | 72 | 301.9 | Projected shortfall for National & Chuuk |

National and Chuuk Governments are projected to run into shortfall in funding (Compact Infrastructure Sector) as estimated costs of projects have risen compared to the cost estimates that JEMCO allocations were based on. Further assessment will have to be done to identify the desired project scope and properly cost out such scope.

There are currently seventy-two projects under active implementation with a total estimated investment budget of about \$301.9 million. Most of the projects (69 out of 72 projects) are in the planning and design phase. Three of the projects are under construction, the Tonoas Water Project (nearing completion), the Sekere Water Project and the construction of the Wellness Center in Yap. During the reporting period, bidding documents have been finalized for 2 COM Projects and have been substantially finalized for the Kosrae Hospital Project. Good progress has been made in finalizing the designs for 5 Dispensaries in Chuuk State as well as the Primary

Health Care Facility in Pohnpei State.

1.3 Priority Program

At the last consultative meeting in August, 2019, a total of seven (7) Projects throughout the FSM were identified as low hanging fruit and given priority in order to kick-start the rollout of the Program for Fiscal 2019/2020. The JEMCO Meeting of September 4th 2019 at Honolulu endorsed the priority program for a total value of \$57.9 Million. The list of seven (7) Projects and their status are elaborated below.

The List of Seven (7) Priority Projects

| Project Description | Estimated Budget (\$ million) | Expected Start of Construction |
|--------------------------------------------|-------------------------------|--------------------------------|
| COM Project (National) | 6.5 | November, 2020 |
| Kosrae Hospital Project | 17.0 | November, 2020 |
| Chuuk Dispensaries (first batch of 5) | 1.75 | January, 2021 |
| PICS Library/Classroom (Pohnpei) | 6.3 | January, 2021 |
| PICS Math/Science/Social Studies Buildings | 9.2 | January, 2021 |
| Pohnlangas Library/Classroom (Pohnpei) | 8.0 | January, 2021 |
| Pohnpei Health Care Facility | 9.2 | November, 2020 |
| Total | 57.9 | |

The status of these seven (7) projects is as follows:

1. [College of Micronesia National and Pohnpei Campus – \\$6.5 Million](#)

Status

- US Army Corps of Engineers (US ACE) identified several items to be updated from the first Independent Technical Review (ITR 1) in the past set of AE Designs and Specifications, these items were largely rectified at August last year
- A second set of comments arose from a second technical review (ITR 2) which is currently being addressed by the Consultant, BECA
- BECA has provided updated details, Bill of Quantities and technical specifications for final review by USACE

Next Steps

- USACE to undertake final review prior to bidding
- PMU has completed the Instructions to Bidders and Market Surveys, therefore once the above is received, bids to be invited – **estimated – July, 2020 (depending on COVID-19 situation)**

2. [Kosrae Hospital – \\$17 Million](#)

Status

- US Army Corps of Engineers (US ACE) identified several items to be updated from the first Independent Technical Review (ITR 1) in the past set of AE Designs and Specifications, these items were partially rectified early last year
- a second set of comments arose from a second technical review (ITR 2) which all consultants met in New Zealand as the On Board Review (OBR) which BECA provided updated details and specs as at December 2019
- Constructability review completed by Pryzm Consultants – October 2019

- BECA has now updated the designs and Bills of Quantities, and Specifications

Next Steps

- USACE Back Check- end April, 2020
- Operability and Sustainability Reviews and updates to be completed, signed off by USACE and issued to tenderers as addenda
- Bid invitation to be issued **in July, 2020, depending on the COVID-19 situation.**

3. [Chuuk Dispensaries- \\$1.75 Million](#)

Status

- Geotechnical Report received last November 12, 2018
- USACE conducted Technical Review of the Geotechnical Report and preliminary designs and located several discrepancies in the details
- PMU organized a meeting in Honolulu in July 2018 between Beca, USACE, Chuuk PMO Office and the PMU to identify a workplan, cost and timelines to improve and update the designs based on the Geo-Technical Report and additional site details
- Change Order prepared and issued to BECA to revise designs and specifications.

Next Steps

- BECA to complete designs and specifications after which the designs will be sent to USACE for review
- Market Survey – August 2020
- Invite Bids – September 2020
- Close Bids– October 2020
- Contract Award – November 2020

4. [PICS Library/Classroom- \\$6.3 Million](#)

Status

- LEO Daly the existing designer
- Preliminary sets of designs and specifications complete
- USACE completed ITR Review
- Leo Daly consultants were required to send updated plans
- Updated plans and specifications prepared and sent to USACE for review

Next Steps

- USACE ITR Review 2
- BCOES Review
- Consultant updated designs and specifications
- Prepare Bidding documents
- Market Survey – August 2020
- Invite Bids – September 2020
- Close Bids – October 2020
- Contract Award – November 2020

5. [Pohnlangas Library/Classroom- \\$8 Million](#)

Status

- LEO Daly the existing designer
- Preliminary sets of designs and specifications complete, however location of buildings were changed

- USACE completed ITR Review
- Leo Daly consultants were required to send updated plans

Next Steps

- No further information received from Consultant on updated plans
- PPMO to issue notice to Consultant to issue updated plans within 21 days, failure to do same will allow the PPMO to invoke termination clauses and engage new consultant to complete works
- Get Final Designs/Agree price with new Consultant, close Contract agreement – April end 2020
- Request grant from OIA on Contract amount
- Designs updated –July 2020
- USACE ITR Review 2
- BCOES Review
- Consultant updated designs and specifications
- Instructions to Bidders - Prepare
- Market Survey – August 2020
- Invite Bids – September 2020
- Close Bids – October 2020
- Contract Award – November 2020

6. [Pohnpei Health Care Facility- \\$9.2 Million](#)

Status

- Leo A Daly existing designer
- Conflict over inclusion of FFE Schedule in scope of works of designer

Next Steps

- PPMO is awaiting Consultant receipt of payment mailed to party on September 2019
- No further information received from Consultant on updated plans to date
- PPMO to issue notice to Consultant to issue updated plans within 21 days, failure to do same will allow the PPMO to invoke termination clauses and engage new consultant to complete works
- Get Final Designs/Agree price with new Consultant, close Contract agreement – April end 2020
- Request grant from OIA on Contract amount
- Designs updated –July 2020
- USACE ITR Review 2
- BCOES Review
- Consultant updated designs and specifications
- Prepare Bidding Documents
- Market Survey – August 2020
- Invite Bids – September 2020
- Close Bids – October 2020
- Contract Award – November 2020

7. [PICS Math/Science/Social Studies Buildings- \\$9.2 Million](#)

Status

- TG Engineers Guam existing designer
- Kick off meeting held on August 25th
- 15% design submittal on October 26 2018
- 30% Designs submitted to PPMO
- PPMO issued comments on October 2019

Next Steps

- Designs Completed – April 2020
- USACE ITR Review 1 – April 2020
- Designs updated –June 2020
- USACE ITR Review 2
- BCOES Review
- TGE updated designs and specifications
- Bidding Documents Prepare
- Market Survey – August 2020
- Invite Tenders – September 2020
- Close Tenders – October 2020
- Contract Award – November 2020

Other projects and their status overviews are covered in the reports below.

NATIONAL GOVERNMENT

2.0. Project Management Unit

The key professional staffs 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 contracts management specialist did not renew his contract when it expired on September 30, 2019. However, replacement has since been recruited and started work in November, 2019.

A budget request was submitted to the FSM Congress for an appropriation to fund the PMU operations in FY20. While the full budget request was not approved, the funds which were approved will enable the PMO to extend staff contracts to the end of FY20 and to cover travel expenses for about 5 months. The PMU is seeking funds from the FSM Congress to enable the unit to recruit a Project Architect to assist with the implementation of the COM Projects. This will be raised during the deliberations for the FY 2021 Budget.

2.1. Weno Road - Phase 1

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 |
| | Actual | February, 2018 |

Reporting on this Project continues because of pending issues which are being progressively resolved. The Certificate of Final Substantial Completion was issued in February, 2018 and the final payment made to the Contractor (GPPC). However, the Chuuk State Government requested the PMU to make arrangements to repair reported defects on the road sections completed by PII International before the Project is handed over to Chuuk State. A status of the Contract for the repairs is provided in Section 2.2 below.

Following the issuance of the Certificate of Substantial Completion, the issues remaining are to resolve the Contractor's Claim for Stand-by time and address a claim from the GPPC for the compensation of leftover aggregate material. Both matters are under review by the PMU and Chuuk State.

In the meantime, the PMU, in collaboration with the World Bank and the FSM Department of Finance, has been providing technical support for the preparation of the FSM Climate Resilient

Road Project. A visit was made to Chuuk in December, 2019, and it has been agreed to include an extension of the Weno Road in the World Bank Project. Priority will be given to a 1.2-mile extension from the Airport to the Pou River Bridge.

2.2. Weno Road – Repairs

Following is the status of Weno Road Repair Works Project:

- Blue Flag Construction requested another time extension up to April 30, 2020 via email dated January 28, 2020 as scarcity of gravel on the island is a major problem. PMU accepted the request with certain conditions.
- On February 3, 2020 – Site assessment for transverse and longitudinal cracks at full depth was conducted. PCCP to be removed and replaced.
- February 11, 2020 – Start of the first activity for PCCP removal and replacement.
- April 11, 2020 – Last concrete pouring of PCCP.
- Seven locations have been completed for PCCP removal and replacement for a total of 60 yd². The total progress of the Project as of March 31, 2020 is **89.85%**.

Details of the repair contract are as follows:

| | | | |
|------------------|------------------------|--|------------------------------|
| Contractor: | Blue Flag Construction | | |
| Contract #: | C190263 | | |
| Contract Cost: | Original | | \$120,000 |
| Start Date: | | | January, 15, 2019 |
| Completion Date: | Original | | July 15 th , 2019 |
| | Revised | | May, 2020 |

2.3. College of Micronesia - FSM (COMFSM) – National Students Center and Vocational Center at Pohnpei Campus

| | | | |
|------------------|--------------------|--|-------------------|
| 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 | | March, 2020 |

Status of Designs

The designs have been completed by Beca International and the Independent Technical Review has been completed by USACE. The PMU has acknowledged the value of the ITR process. Over 200 comments were made, most of which have been accepted by the Designer. Revised designs, Bill of Quantities, and Engineers estimate have now been produced and sent to USACE for a back check. The backcheck is expected to be completed in May, 2020. The PMU is targeting July, 2020 to invite Bids, assuming that the travel restrictions associated with the COVID-19 Emergency are over by then.

Construction Management Services

| | |
|---------------------|-----------------------------------|
| Grant Amount | \$615,000 |
| Grant Number | D19AF00046 |
| Effective Date | 12/21/2018 |
| Expiry Date | 9/30/2021 |
| Contractor | Amorient Engineering Consultants |
| Contract Sum | \$615,000 |
| Contract Status | Contract under preparation in PMU |
| Expected Start Date | February 1, 2019 |
| Completion Date | October, 2021. |

Amorient have submitted their Report on the Constructability Review and comments shared with the Designer of Record. These comments have been reflected in the new set of designs and specifications which are now with USACE for review.

Construction Contract 1 – Demolition of Technical Building, Pohnpei State Campus

| | |
|-----------------|----------------------------------|
| Grant Amount | \$109,450 |
| Grant Number | D19AF00042 |
| Effective Date | 10/01/2018 |
| Expiry Date | 9/30/2019 |
| Contractor | VCS |
| Contract Sum | \$99,500 |
| Start Date | December 15 th , 2018 |
| Completion Date | March 15 th , 2019 |

Construction Contract 2

Bidding documents are ready. Bids will be invited as soon as the travel restrictions are relaxed and Contractors can travel to Pohnpei to participate in the bidding.

2.3.2 Design of Kosrae Students Center

As recommended by COMFSM, the design for the Multi-purpose building for the national campus will be replicated for the Kosrae Campus. In this regard, all necessary approvals have

been secured to enable the PMU to enter into a negotiated contract with Beca Consultants to adapt the designs already developed for the national campus to the Kosrae site. The negotiations have now been concluded with Beca Consultants for a negotiated contract sum of \$350,000. The project design is expected to be completed by June, 2020.

2.3.3 New Teaching Clinic at the National Campus

Conceptual designs for the new teaching clinic at the National Campus have been developed by the PMU and COMFSM, with the kind assistance of the Yap State PMO Office. A number of design options were prepared and presented to a joint meeting of the PMU and COMFSM on June 14th, 2019 upon which COMFSM requested the reduction to the project design foot print due to concerns over the costs of design options presented. After the design modifications, COMFSM subsequently endorsed a final conceptual design. The PMU has since prepared a Request for Proposal (RFP) to select a Consulting Firm to prepare the detailed designs and bidding documents. The RFP will be launched in May, 2020.



Perspective of New Teaching Clinic – COM Campus

2.3.4 COM - Chuuk Campus

Background

The Masterplan for the Chuuk State Campus was prepared by Beca International Consultants of New Zealand in November, 2013. The Masterplan proposed four buildings at the Nantaku Site, which is owned by the College of Micronesia. Utilities, in the form of road access, water, sewerage, electricity and telecommunications will need to be provided to the site.



Artist's rendition of proposed campus at Nantaku Site. By Beca International Consultants Ltd.

To supplement the cost of the Project, the Chuuk State Government authorized a funding of \$3 million in September, 2016 from Chuuk State Compact Public Sector Infrastructure Sector funds. The FSM Congress also appropriated \$1.38 million for the design of the first two buildings and related infrastructure of the project, from FSM National Government carryover Compact infrastructure funds.

In August, 2019, the PMU carried out an assessment of the external infrastructure that will be needed to extend services to the new site. The assessment showed that about 2,120 feet of roadway will need to be constructed, and the installation of about 1,150 feet of water and sewer lines and 600 feet of power and telephone lines. A Project Development Plan (PDP) will need to be developed to provide a scope and budget for the project, including the preliminary designs of the buildings and the infrastructure requirements, taking into consideration the findings of the PMU assessment of necessary external infrastructures.

The PMU, in consultation with COM, are now preparing the Terms of Reference for the Project Development Plan and it is expected that a Request for Proposals (RFP) will be launched in the next quarter to select a firm to prepare the Project Development Plan.

CHUUK STATE

3.0 Composition and Roles of the Project Management Office

The Project Management Office – Chuuk State (PMO-C) was established by Chuuk State Law No. 13-16-07 on April 2016. The PMO is responsible for the implementation and management of all infrastructure projects funded by the Infrastructure Development Grant of the Compact of Free Association, as amended, and approved by the Chuuk State Infrastructure Project Implementation Committee (IPIC) as identified by the Chuuk State Infrastructure Development Plan (IDP) and endorsed by the FSM and the Joint Economic Management Committee (JEMCO).

The PMO composition includes professional capacities inclusive of project manager, a contracting officer, resident engineer and an inspector. The PMO outsources specialized engineering services on a case by case basis as may be needed, including Architecture and Engineering Consultants for project designs, and Construction Companies for construction.

Current Staffing List

| | |
|-----------------------------|-------------------------------------------------|
| Project Manager | Sasha Savich, P.E. |
| Contract Specialist | Sanjata Basu, P. E |
| Project Engineer | Engr. Carlo N. Mangadap |
| Administrative Manager | Keim Mathias |
| Fiscal Officer | Alvin Yoshi Mori |
| Accountant | V-Ann Nakamura |
| Secretary | Florence Mefy |
| Land Acquisition Specialist | Kezra Ezra |
| Inspectors (3) | Benisio Jose, Constantine Dungawin Amada Uehara |
| Boat Operators/Drivers (2) | Pitson Sally; Aku Yos |

VEHICLE STATUS

| | Description | Plate No. | Remarks |
|----|--------------------------------|-----------|------------------------------------------------|
| 1. | Nissan X-Trail | S0332 | Currently used by Johnny Meippen |
| 2. | Nissan X-Trail | S0335 | Currently used by PMO |
| 3. | Hyundai Tucson | S0333 | Currently being repaired |
| 4. | Nissan Murano | N/A | Assigned to Project Manager |
| 5. | Boat (40hp single engine 10ft) | N/A | Operational |
| 6. | Nissan Frontier Pick-up | N/A | Not available for use by PMO |
| 7. | Nissan X-Trail | N/A | Newly acquired/Assigned to Contract Specialist |
| 8. | Boat (80hp twin engine 20ft) | N/A | Newly acquired |

3.1 Chuuk Lagoon Dispensaries (5 dispensaries)

The following is the status of the Five Lagoon Dispensary Projects:

Grant for \$ 210,000.00, based on Beca’s revised Fee proposal, was awarded by OIA on February 06, 2020 in response to IPIC’s letter dated January 29, 2020 requesting the Grant.

Change Order #1 dated February 14, 2020 was signed by Contracting Officer on the same day and sent to Beca for their signature. Beca signed the CO on February 17, 2020 and returned it to PMO on the same day. The CO was fully executed with all signatures on March 11, 2020.

Notice to Proceed was issued on March 11, 2020 and sent to Beca along with the fully executed Change Order on the same day. The first set of deliverables is due five weeks from the date of Notice to Proceed.

Revised designs under preparation by Beca International Consultants.

3.2 FOUR (4) SCHOOLS (first batch of schools)

| NAME OF SHOOOL/HEALTH CENTER | ISLAND AND REGION |
|----------------------------------------------|--------------------------|
| Pwene Elementary School | Fefan, Southern Namoneas |
| Eot Elementary School | Eot, Faichuk |
| Ettal Elementary School | Ettal, Mortlock |
| Onoun Elementary School & Weipat High School | Onoun, Northwest |

- Notice of Award was sent to E. M. Chen on February 13, 2020. Following queries from Consultants and clarifications provided by PMO, E. M. Chen submitted their Fee Proposal on March 04, 2020. Following PMO’s review and comments, they submitted their revised Fee Proposal on March 17, 2020.
- Request for a grant of \$ 745,000.00 was sent to OCM on March 23, 2020 with grant award subsequently issued on April 13, 2020. The Contract and Notice to Proceed are under processing with Chuuk State.

3.3 School Facility Assessment

The PMO Office is undertaking assessments of existing schools to prepare a second batch of schools for implementation. On March 24, 2020 PMO visited Sapore Elementary School and Southern Namoneas High School on Fefen Island to conduct facility assessment on the current condition of the two school buildings. Below are our observations for each building:

Sapore Elementary School

- There is a noticeable crack through the entire cross-section of the wall which indicates a structural / foundation problem.
- School building is more than 50 years old.
- Classrooms are not sufficient for the total number of students.
- It is highly recommended to demolish the building and construct a new one.

Southern Namoneas High School

- Reflected ceiling needs immediate replacement using wooden joist and plywood.
- Existing acoustic ceiling tiles are mostly damaged and distorted.
- Floor vinyl tiles were damaged and need to be replaced all floor finishes.
- Repainting of internal and external walls is necessary.
- Doors and windows need reconditioning and replacement.
- Solar panels need regular maintenance. Electrical system is not working properly.
- Furniture and fixtures are mostly damaged and should be maintained properly.
- Needs renovation for the roofing system and major repairs for the whole facility.

3.4 Remaining Schools and Dispensaries

PMO is planning site visits to all approved project site locations in the Lagoon, Northwest Region, and Mortlocks Region to assess existing facilities, and identify those in need renovation or new construction.

Previously, PMO-C completed a total of thirty-one (31) school sites in Northern Namoneas, Southern Namoneas, Faichuk and Mortlocks Region.

3.5 Chuuk State Hospital Project

The Chuuk State Government, PMO-C and the PMU continue to make every effort to start the Chuuk State Hospital Project which has been accorded top priority by the Chuuk Government. In this regard, consultations are on-going with the United Nations Office of Project Services (UNOPS) under which UNOPS will be contracted as the Implementing Agency for the Project.

The following is the status of the Chuuk State Hospital Project.

- An initial deadline of August 1, 2019 was agreed upon by all stakeholders as a reasonable timeframe for Chuuk State to settle an issue with one of the lots where the new hospital will be sited. This deadline has now expired but resolving this land issue remains a work in progress.
- During the quarter under review consultations continued between the Chuuk State Government, UNOPS, OIA and the PMU to resolve this pending land issue. Subsequently, the Chuuk State Government is resolved on exercising the eminent domain authority vested upon the Governor with legal proceedings initiated in August, 2019. However, this option itself presents a set of challenges for Chuuk, both in financial and legal expertise terms. As in most small communities where everyone is related in one way or another, local legal expertise for the State voluntarily recused themselves on concerns of potential conflicts of interest or impartiality. A legal expert was then hired on consultancy basis to be dedicated to this eminent domain process. On the financial side, the acquisition of this lot by way of eminent domain process is relatively costly. To file the eminent domain lawsuit, the Government will need to deposit funds in the court, amounting to the full compensation that would have to be paid to the landowner. The Chuuk State Government, therefore, will need to identify and secure this amount of funding in order to proceed with the eminent domain process (about \$635,000).
- In the meantime, UNOPS has also been having periodic meetings with the FSM Mission to the United Nations in New York. The last meeting was held on December 14th, 2019. An update was provided to UNOPS on the ongoing efforts to resolve the land dispute and the commitment from the FSM side on assisting Chuuk to resolve the dispute so that the project can start.

3.6 Tonoas Water Treatment Plant

The Tonoas WTP located at Muano, Tonoas is now functional after rehabilitation works that were undertaken in 2018-19. The previous rehabilitation of the WTP was in year 2000 however due to lack of maintenance and a landslide at the intake the facility was defunct again by 2002.

The water source for the WTP is surface runoff that is collected at the Fansinifo intake and is conveyed by a raw water pipeline to the WTP. Another intake, that collects surface water from another runoff catchment, connects into this same raw water pipeline. This second intake can be rehabilitated under the next phase of works when expansion of the distribution supply area is planned, possibly under ADB funding. Currently the water supply zone fed from the rehabilitated WTP is from the WTP to the Port where the Vital coconut factory is presently under construction.

All civil works and mechanical/electrical installations at the WTP have been completed and the facility has been commissioned with treated water being pumped 142' to the 65,000 gallon elevated reservoir.

Water from the elevated reservoir has been used to flush and pressure test the water main from this reservoir to the port. There were some 12 leaks identified and these have been

repaired. There is a high water pressure now available at the Vital Coconut factory site and dependent on the results of further pressure tests a pressure-reducing valve may need to be installed in the water main.

Discussions with Vital continue for their readiness to connect to the CPUC water source and it is expected that Vital will be utilizing the CPUC water source early in 2020 for construction works. (Note: It is understood that Vital will install an RO facility for its factory water requirements).

Two slow sand filters at the WTP provide for a water filtration capacity of 180,000 gallons per day however water production is dependent on water flow from the intake.

The WTP generator is operational and this generator is presently being used additionally to power the CPUC street lighting around Tonoas until the Vital generators are made available.

The operational manual has been updated and CPUC has a full time operator in Tonoas who has WTP operations included in his duties. Maintenance for the WTP mechanical and electrical equipment falls under the CPUC mechanical workshop that is located at CPUC power plant and regular visits are made by the technical staff to the WTP for equipment maintenance.



3.7 Other Projects Isolation Facility to Meet COVID-19 Emergency

On March 16, 2020, an emergency meeting was held between PMO, Planning Department, Department of Health and Chuuk High School Principal regarding the contingency and preparedness plan for Covid-19 pandemic. Facility assessment was performed by PMO, Planning and DoH for Chuuk High School Gymnasium as Isolation Area and four (4) classrooms as Quarantine Areas. PMO carried out the Design Plan, Cost Estimates and Scope of Works of the Contractor for the Isolation facility at Chuuk Gymnasium. IMF Grant award approved on March 29, 2020.

NTP followed after the grant award approval. Construction is expected to start in the first week of April, 2020. Isolation Facility is expected to be completed by the third week of April, 2020.

3.8 Overview of Meetings Held during the Quarter

January 17, 2020

Meeting on IDP was held between Chairman (IPIC), OIA (Steve Savage), PMO, CFCC and IPIC Secretariat.

Following issues were discussed:

1. Project Status: A spreadsheet containing details of all JEMCO approved school and dispensary Projects was handed over to Steve Savage. He was satisfied with the presentation and the progress.
2. Additional Projects: Five additional Projects were identified that could be made part of the existing list, but they were not on the JEMCO approved list. Steve suggested PMO communicate with OCM for addition to the approved list for presentation and approval in the next JEMCO meeting.
3. Design of Dispensaries in the same lot where four Schools are located: According to Steve, adding the dispensaries to the scope of work of E. M. Chen, the Consultant selected for design of Four Schools, was not a problem.
4. Change Order for Beca for the design of the five lagoon Dispensaries: Beca's fees for the revised design was \$ 188,000.00, which was more than the original Contract value of \$ 149,113.00. However, considering the time lost, Steve agreed with the concept of issuing a Change Order to expedite the Project.
5. Engineers / Inspectors during construction: Steve suggested appointing engineers, and not Inspectors, for the Projects in the remote islands to ensure quality and construction management. As they would have to stay at the sites, there should be a line item in the Contractors' bill of quantities for provision of office and accommodation for the engineers. Inspectors would also be required to assist the engineers, get trained on the job, and be deployed for the next project in lieu of engineers.
6. Bonding issues: Steve mentioned that Robert Goodwin, PMU, was preparing a document for presentation at the next JEMCO meeting. Due consideration will be given to reduce the burden on the contractors on the issue of Performance and Payment Bonds.

January 31, 2020

Meeting on Chuuk Hospital Project was held between Governor, Lt. Governor, UNOPS, PMU, PMO and IPIC Secretariat.

Following issues were discussed:

1. Funds: UNOPS mentioned that the estimated Project Cost was \$ 60 million. PMU confirmed that this would come out of the Chuuk IDP funds, in effect seriously jeopardizing completion of all 41 JEMCO approved Projects.
2. Design: The 96-bed hospital was designed by Stanley Consultants, USA. UNOPS will review the design.
3. UNOPS will hire a Consultant for initial study (Stage I). This would take six months. Stage II – Design was expected to take another six months.
4. Project duration – Five years.
5. Land issue: Eminent Domain will be filed in March. Required funds would be made available within ten days. Resolution expected by August following which contract will be signed.
6. PMO will act as an oversight agency: also process invoices.

February 19, 2020

Meeting on Appropriation of grants, between Legislature, AG, IPIC Secretariat, PMO.

PMO were informed that the grant sent by OIA would have to be appropriated by Legislature once FSM sent the Advice of Allotment. This would then be deappropriated from the General funds. Since supplemental Budget hearings were over, an emergency session would have to be called.

We met Lt. Governor on February 20, 2020. He confirmed no appropriation was necessary and he would be taking up the matter with AG and Legislature.

February 21, 2020

In a meeting with the Governor where all the responsible officers were in attendance, Governor reconfirmed that no appropriation was required and PMO could go ahead with processing the Change Order for Beca.

March 12, 2020

2.00 pm.

IPIC met with PMO briefly to set the Agenda for a more detailed meeting the following week. Issues to be discussed were:

1. Use of IMF funds for DOE and DOH
2. Status of the Infrastructure Projects
3. Chuuk Hospital – Land issue. Lt. Governor informed that the legal representative

was on board.

3.00 pm.

1. PMU Contract Specialist and World Bank Safeguard Officer met with IPIC / PMO to discuss the Road Project funded by World Bank. They were informed that PMO will have an oversight role for the Project.
2. PMU Contract Specialist informed that Funds available up to 2023 would be \$ 108 million against an estimated Project cost of \$ 155 million. Meeting with PMO was set up next morning to discuss the matter in details.

March 13, 2020

Meeting was held between PMU Contract Specialist, World Bank Safeguard Officer and PMO to revisit the estimates. It was concluded that against available funds of \$ 108 million, the estimate was \$ 206 million, resulting in a shortfall of \$ 98 million. This would have to be deliberated with OCM for presentation in the next JEMCO meeting.

March 27, 2020

A video conference call took place between PMU, OCM and three State PMOs to discuss the estimates vis-à-vis fund availability. OCM expressed their concern about the estimates which to them appeared to be high. It was decided that PMO would revisit the figures and revert on April 03, 2020.

General

During the week beginning February 10, 2020, PM and Administrative Officer, PMO and IPIC Secretariat were in Pohnpei to attend a Budget Review meeting as a precursor to the upcoming JEMCO meeting. During their visit, they also discussed the bonding issue with PMU.

3.9 Conclusion

It is expected that, with the revised design of the five dispensaries in progress, Consultant selected for four schools, RFQs for all the remaining projects (15 dispensaries, 18 schools) will be issued for selection of Consultants well before the end of this fiscal year.

KOSRAE STATE

4.0 Project Management Office

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 | To be announced in June 2020 |
| Assistant Engineer | To be announced in June 2020 |
| Administrative Assistant | Will be re-announced in June 2020 |
| Project Management Architect | Position filled by Melanie Vicente |
| Contract/Supervising Engineer | Vacant. Not needed at this time. |

4.1 Arthur P. Sigrah Memorial Hospital Construction

Designer: BECA Consultants

The bidding process is on hold awaiting the Independent Technical Review process and to be completed and implemented by the designer along with other BCOES tasks including constructability review, biddability review, O&M review and sustainability reviews. However, progress is being made as noted below. The Constructability review and sustainability are being undertaken by Pryzm Consultants as part of their construction management services. See item 4.5 below for details. KPMO has been conducting an operability review with the hospital team since late October. The request for the additional operating room has been withdrawn but all other original comments remain. On February 6th, 2020, 65 comments were submitted to Beca for review and revision to plans and specs. To date Beca has proceeded with revisions to the medical lab layout. Beca completed a conceptual signage plan this quarter which was approved by DoHS and KPMO. The detailed signage plan is being worked on at this time.

4.2 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/FSMK18-002
Original Cost: \$221,000.00
Project Start Date: November 15, 2017
Original Contract Completion Date: None
Current Contract Cost: \$221,000.00
Percent Complete: 95%

In December, Beca submitted plans and specs resulting from the onboard review held in late September. At first USACE declined to review these documents until the revisions resulting from the constructability and operability reviews are included. Subsequently USACE agreed to review the current update in advance of final operability and constructability revisions. USACE response was received on February 10th. USACE comments are summarized here:

“Bottom line up front”:

With a number of critical comments outstanding, risk to proceed to advertise the project at this point in time appears to be high. Project Manager should weigh the benefit of advertising now against the anticipated number of changes that may be necessary as a result of the outstanding back-check comments.

Generally, all disciplines are concerned that the signed/approved waiver(s) by the AHJ - Authority Having Jurisdiction (i.e. Designated Building Officer) has not been included in the submission. Recommend the signed/approved waiver(s) be included in the Design Analysis as discussed during prior discussions.

Tally of review comments.

| | |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Architectural | 13 of 15 comments have been closed |
| Civil | 3 of 35 comments have been closed |
| Electrical | 9 of 24 comments closed |
| Fire Protection | Back-check document created to note what agreements were made at the OBR that were not captured in the initial review. These agreements from the OBR were not included in BECA's submittal. |
| Mechanical | 3 of 39 comments closed |
| Structural | 9 of 23 comments closed |

89 comments still outstanding.

Cursory notes from our reviewers:

Civil - There are major issues with construction documents. There are missing ties to horizontally locate the improvements, missing elevations to vertically locate the improvements, missing and conflicting details and specifications. The water system calculations are inadequate and do not indicate whether the proposed water system can support the facility. The drainage system calculations are not correct and do not appear to correspond with the design. The documents do not address the removal of the asbestos cement pipe, which requires special handling and disposal of the hazardous asbestos material.

Electrical – There were substantial changes to the design which requires our reviewer to take another look at the design. A normal back-check effort is not appropriate and our electrical review continues. Generally, the electrical portion of the bid package still requires work. Bidding it to Hawaii contractor climate with current design would result in many RFIs during bidding or change orders during construction.

Mechanical - The design intent is shown on the drawings. However, it has not significantly changed from a state that led to a no bid situation. Concern is that the same result may be reached. Improvement to design is necessary.

Fire Protection – Critical life safety issues remain”

On April 7th, Beca submitted another update to the drawing and specs to USACE in an attempt to close out all of the remaining ITR comments.

4.3 USACE Program Management Support for FY 18

Grant Award Number: D18AF00051-10: \$116,000

Grant Expiration Date: September 30, 2019

Contract Number: C111035

Original Cost: \$116,000.00

Project Start Date: Upon issuance of payment

Original Contract Completion Date: September 30, 2018

Current Contract Cost: \$116,000.00

Percent Complete: 98%

Current Estimated Completion date: May 2020

Jon Hosaka and replacement Charles Schiers visited KPMO on January 28 to February 1. The purpose of the visit was to review status of projects and visit project sites. The expiration date for the grant funding this work agreement was extended this quarter as noted above.

4.4 Arthur P. Sigrah Memorial Hospital Response to ITR Comments

Grant Award Number: D18AF00024-00020: \$180,056 (operations budget)

Grant Expiration Date: September 30, 2018

Grant Award Number: Da9AF00017-00020 \$695,000

Grant Expiration Date: September 30, 2020

Contract Number: C107669

Original Cost: \$17,550.00

Project Start Date: June 27, 2018

Contract Completion Date: 8/10/2018

Current Contract Cost: \$389,615.00

Percent Complete: 92%

Estimated Completion date: May 30, 2020

See comments in item 4.2 above regarding ongoing work by designer Beca International Consultants. The contract modification for onboard review services subsequent update of plans and specs, addressing constructability, biddability and sustainability comments made by Pryzm consultants, and providing a bill of quantities and final construction estimate was executed on January 8th. A bill of quantities and new construction cost estimate was submitted by Beca this quarter. The estimate is still very close to the previous estimate prepared in 2016 and remains about \$3 million less than the bids received in 2017. In late March, a proposal was received for additional services for implementing operability review comments, constructability review and updating cost estimate after completion of operability design revisions totaling \$220K. The current engineering grant is not adequate to cover this cost. This proposal is being reviewed by KPMO and PMU. Proposal gives target date of May 8 as target date for completion of constructability review and updating plans and specs for operability comments. The target for updated cost estimate is May 29th.

4.5 Arthur P. Sigrah Memorial Hospital Construction Management

| | |
|------------------------------------|----------------------------|
| Consultant: | Pryzm Consulting, LLC. |
| Grant Award Number: | D19AF00045: \$2,220,500.00 |
| Grant Expiration Date: | September 30, 2022 |
| Deadline for Contract Execution: | March 24, 2019 |
| Contract Number: | C114360 |
| Original Cost: | \$2,114,708.91 |
| Project Start Date: | April 2, 2019 |
| Original Contract Completion Date: | November 2, 2021 |
| Current Contract Cost: | \$2,158,653.91 |
| Percent Complete: | 2.5% |
| Current Estimated Completion date: | November 2, 2021 |

Beca submitted their next update of plans and specs to address Pryzm’s second round of constructability comments on February 2. Pryzm responded on March 6 and closed approximately 300 of the original 500 comments. After this back-check, PMU and PMO are also providing justification for closing more of the remaining constructability comments.

On March 25th a proposal from Pryzm was received for their second back-check of the constructability review. The amount of this proposal is \$102k. PMO is reviewing. The current engineering grant is not adequate to cover this cost.

4.6 Malem Elementary School Improvement

KPMO is currently editing the Chuuk RFQ to advertise for design services for this project. Anticipate advertisement by mid-May.

4.7 Port Improvement

| | |
|---------------------------|--------------------|
| Grant amount: | \$100,000 |
| Grant Award Number: | D17AF00015-00020 |
| Contractor: | Nopco Distributors |
| Contract Number: | P123559 |
| Original Cost | \$10,453.30 |
| Project Start Date: | February 1,2020 |
| Original Completion Date | None |
| Estimated Completion Date | April 30, 2020 |
| Per Cent Complete: | 0% |

The RFQ for Okat Well repair materials was issued on 1/20/2020. Out of 9 suppliers invited, Nopco Distributors submitted the only bid in the amount of \$9,983.94. The Purchase Order was issued on 3/27/2020. Estimated shipping date is April 30th. Since piping is included the shipment will be via ocean freight.

The bid invitation for airport fencing repairs was signed by Governor Sigrav on March 30th. Since local contractors are loaded with work we will extend advertisement to Pohnpei. Bid opening is scheduled for June 30th. The prebid meeting has been postponed and will be set once normal air travel is resumed.

4.8 Kosrae Seaport Master Plan Gap Analysis

| | |
|----------------------------|------------------------|
| Grant amount: | \$97,800.00 |
| Grant Award Number: | D19AF00068 |
| Grant Expiration Date: | September 30, 2020 |
| Contractor: | Pryzm Consulting, LLC. |
| Contract Number: | C118418 |
| Original contract Cost: | \$93,146.46 |
| Project Start Date: | September 10, 2019 |
| Original Completion Date: | November 21, 2019 |
| Current Contract Cost: | \$93,146.46 |
| Current Completion Date: | November 21, 2019 |
| Percent Complete: | 50% |
| Estimated Completion Date: | November 21, 2019 |

The draft report received and approved with comments and final report was received and approved on January 5, 2020. The contract can now be closed. KPA is considering a feasibility study for additional container space construction as a follow up project. The Master Plan Gap Analysis will be used to support the design and implementation of the World Bank-funded FSM Maritime Investment Project.



Kosrae Port Operations showing the need for a Master Plan

4.9 Okat Bridge Utility Relocation Design

A fee negotiation is now completed. A grant will be requested by the end of April, 2020

4.10 Kosrae High School Fencing

KPMO has yet to finalize a bid package for this work. Estimate bid invitation by end of coming quarter.

4.11 Kosrae PMO Office Renovation

The FF&E list has been finalized. Additional revisions to specifications were completed this quarter. Estimate bid invitation by May 8.

4.12 Road Maintenance /FY19 IMF

Grant amount: \$230,000 IMF
Grant Award Number: D19AF00018
Contractor:
Contract Number:
Original Cost
Project Start Date:
Original Completion Date
Estimated Completion Date

Per Cent Complete: 0%

The previously submitted PCD was not approved. The amount of matching funds available is unclear at this time. The appropriation bill for the grant was not enacted due to lack of matching funds for the project.

4.13 Road and Building Maintenance FY 20 IMF

The FSM Congress has appropriated \$70,000 under PL 21-43 for road maintenance. We would like to use this fund as a matching source for this project. The first phase will be for the purchase of asphalt cold patch and some small hand tools and equipment to facilitate immediate repairs to potholes in the main road.

POHNPEI STATE

5.0 Strategic Focus:

The strategic focus of the Pohnpei State PNI-PMO Office is to plan and implement the Compact Funded projects for Pohnpei State as outlined in the FSM IDP and to meet regularly with Owner/End Users to ensure that the projects meet and/or exceed expectations.

Total Activity Budget FY19 YTD Expenditures:

| Category | Budget | YTD Enc. | Expenditures | Balance |
|----------------------|-------------------|------------------|-------------------|------------------|
| Personnel | 415,583.00 | 0 | 419,515.50 | -3,932.50 |
| Travel | 45,000.00 | 0 | 36,744.39 | 8,255.61 |
| Contractual Services | 50,400.00 | 17,628.20 | 20,666.60 | 12,105.20 |
| OCE | 48,500.00 | 4,835.95 | 42,491.45 | 1,172.60 |
| Fixed Assets | 11,500.00 | 0 | 9,827.71 | 1,672.29 |
| TOTAL | 570,983.00 | 22,464.15 | 529,245.65 | 19,273.20 |

During the quarter under review, the main activities of the PMO Administration Section were as follows:

- Met with OIA and CMU staff regarding the status on Pohnpei State projects and issues on administrative matter prior to FY21 budget consultation meeting
- 5 meetings were conducted with school's principals and staff to discussed the upcoming 5 school projects.
- Two PNI-PMO engineers have resigned from their post
- Execution of 2 professional contracts including 3 employment contracts
- PMO accounts are up to date
- Meeting was conducted with Pohnpei DOE Director, Mr Stanley Etse and PICS Principal to discussed PICS classroom projects as well as proposed area for temporary classrooms.
- Attended FY21 budget hearing with Pohnpei Legislature
- PNI-PMO issued grant extension requests to OIA
- PNI-PMO has received several grants extension.
- Jointed meeting between FSM PMU, PNI-PMO and USACE discussed the FSM President's 7 priorities urgent projects and other on-going projects here in Pohnpei
- Conducted Geotech investigation on Pehleing water tank project.

5.1 Kinakapw to Lehn Diadi Waterline Phase 1

Designer: Lyon Associates, Inc.

Contractor: To be competitively bid

Preliminary Budget: Construction \$5,300,000 - \$6,000,000
Designers Construction Estimate: \$8,200,000
Design Modifications: \$30,000 (estimated)

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 circum-island Road is approximately 6.3 miles in length and is composed of 8- and 10-inch new water mains. Segment starts at the existing gate valve located near the Kinakapw water tank and extends along the circum-island road to the Lehn Diadi Bridge.
2. Segment 2 – Arew Pah is approximately one-mile in length and consists of an 8-inch water main. Segment starts at the circum-island road and serves the Arew Pah area of the island.
3. Segment 3 – Arew Powe is approximately one-mile in length and consists of an eight-inch water main. Segment starts at the circum-island road and serves the Arew Powe area of the island.
4. Segment 4 – Lukop is approximately 2.3 miles in length the water main consists of 8 and 10-inch pipe. The segment starts at the circum-island 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 wells connected to this section.

This project includes water service laterals for future residential hookups, 4 well head improvements, and a 500,000-gallon storage tank located in Mesihsou.

2nd Quarter FY2020 Progress Report

Current Status

The PNI-PMO office is preparing a Design-Build RFP for a qualified AE/Contractor to take ownership of the project, correct identified design defects, and perform all required construction work as identified in the drawings and specifications. Draft for submittal to USACE to be expected by April 10, 2020

5.2 Sekere to NMS Waterline Phase 1, Segment 2, COM Palikir to Diadi

Designer: Lyon Associates, Inc.
Contractor: ABCOR
Construction Cost: \$6,077,270.53
Change Order: \$ 223,103.46

The current status of the project is as follows:

Project has recently been brought back to its normal routines insofar as progress is concerned. Contractor was able to proceed once again after a long wait due to series of changes brought to the table after the contract was awarded. To name a few of these unforeseen changes involving the following:

- relocation of the pipeline from its designated site to the opposite site of the roadway.
- Changes in the pipe fittings involving changing of HDPE mechanical joint fittings on the waterline to flanged joint fittings.
- Late execution of the contract causing contractor to experience inflated rates of the project materials etc.

Currently the main waterline installation has reached station 216+00 specifically at Meilap, Kitti.

Contractor is simultaneously executing these three activities as they progress forward with the following:

- ☒ Main waterline installations and pressure testing,
- ☒ Cross-stub outs installations,
- ☒ The water storage tank site clearing and soil testing works. Contractor have recently been instructed to proceed with the clearing and cleaning of the water storage tank site.
- ☒ Fire Hydrant Assembly Installations, this activity is yet to be executed due missing appropriate parts and supplies.

They have also been instructed to proceed with all the necessary ordering of the remaining plumbing materials for the water storage tank.

Pressure tests are being conducted at every 1,000-LF as the project progresses.

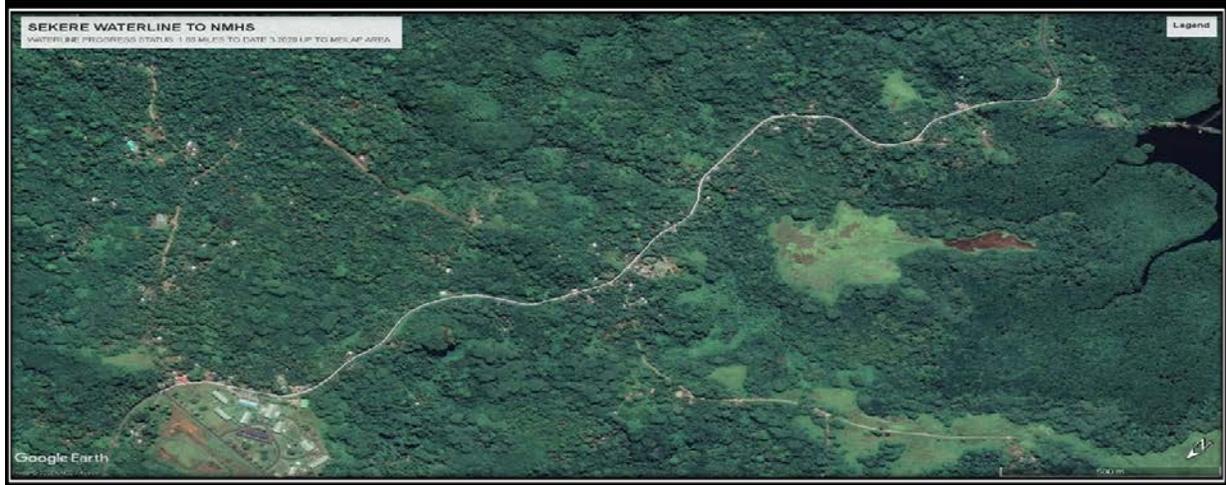
Pipe laying is currently stalled due to un-availability of pipe fittings which are expected to arrive 1st to 2nd week of April 2020, but the project overall is still progressing with other related activities as called for.

- Approximately 21% of the pipeline has been currently lay-down buried under ground starting from COM Palikir Campus to Meilap, Kitti as of March 2020.

Activity photos:

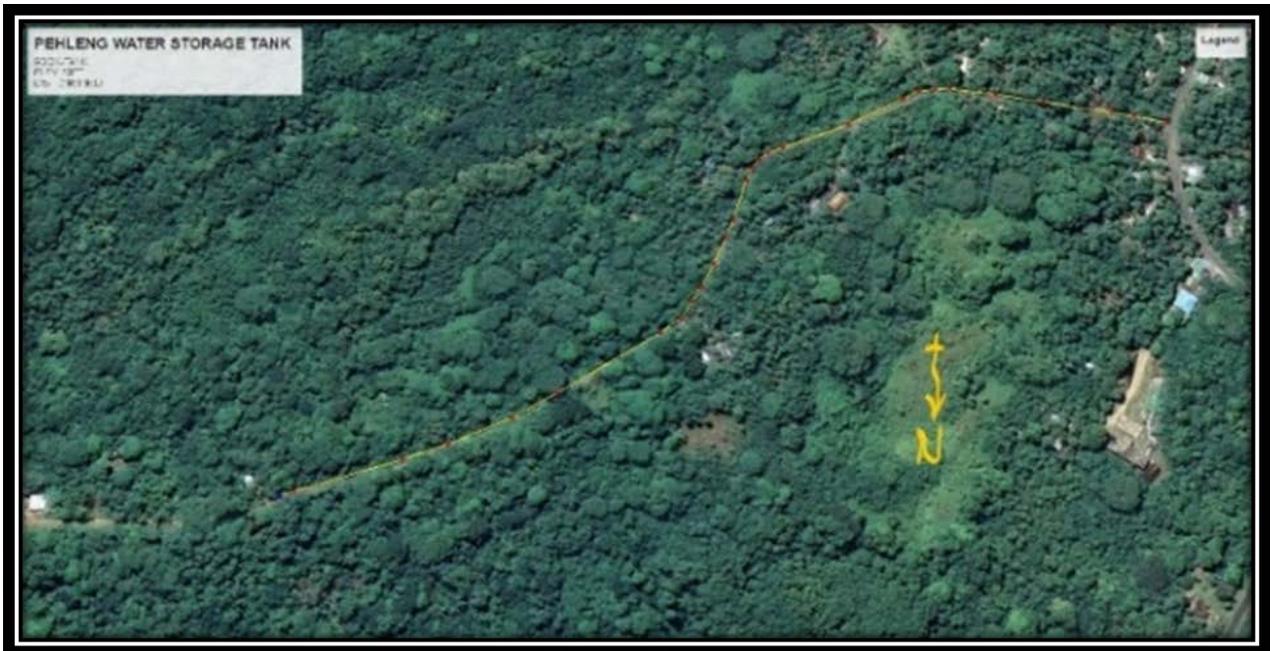
Cross-stub-outs, (2" and 1" cross stub-outs):

Main Waterline Installation:





Water Storage Tank Site:



5.3 Pohnpei Primary Healthcare Facility – Design

| | |
|----------------------------------|--------------------------|
| Designer: | Leo A Daly |
| Contractor: | To be competitively bid |
| Preliminary Budget: | Construction \$5,500,000 |
| Designers Construction Estimate: | Unknown |
| Design Modifications: | None |
| Project Summary: | |

The Primary Healthcare Facility consists of two (2) buildings 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. Due to Contract negotiations between the designer and the PMU at the start of the project, the Furnishing, Fixture & Equipment (FF&E) Schedule was removed from the designer's contract.

The designer's request for additional fee to produce an FF&E schedule was denied. The FF&E schedule was then developed by the project manager and provided to the designer in order that the designer could continue their work.

Designer produced electrical and mechanical drawings on pre-concept backgrounds and furniture layout that had not been approved by owner. This work by the design is unacceptable and is not considered as progress by the designer.

- 95% percent drawings and specification have been received from LAD. Variances include:
 - No FF&E schedule included within the Specification.
 - Specification requires editing

2nd Quarter FY2020 Progress Report:

Designer's annotated responses to USACE 95% review ITR comments have been received by PNI-PMO. Initial review of designers review indicates that Designer has responded N/A to USACE comments without justification. Designer's responses are being prepared for submittal to USACE for back-check.

5.4 Pohnpei Substance Abuse and Mental Health Facility

| | |
|-------------------------|----------------------------|
| Designer: | Pryzm LLC |
| Contractor: | To be competitively bid |
| Preliminary Budget: | Construction \$4.1M |
| Designers Construction: | Estimate: Not yet prepared |
| Design Modifications: | None |

Project Scope:

The Substance Abuse and Mental Health Facility is a single detached one-story building with approximately 11,250 sq. ft building footprint. The facility will include parking areas, sally port, water and sewer connections, electrical, mechanical and communications connections.

2nd Quarter FY2020 Progress Report:

- 95% submittal (Pre-Final Design) received December 2019
- 95% submittal, drawing, specs, calculations, and cost estimate has been forwarded to USACE for ITR

- USACE has completed their initial ITR 95% submittal review and comments have been returned to Designer.
- Designer's has asked for additional time due to the corona virus for submittal of their annotated responses.

5.5 PICS Campus Improvements: New Math & Science Buildings

| | |
|----------------------------------|--------------------------|
| Designer: | TG Engineers Guam |
| Surveyor: | Pacific Survey |
| Contractor: | To be competitively bid |
| Preliminary Budget: | Construction \$2,179,000 |
| Designers Construction Estimate: | Not yet prepared |
| Design Modifications: | None |

Project Scope:

The scope of the project is the design and construction of new prototype Social Studies and English buildings, handicap access ramp, associated parking, bus dropoff, access roads, and associated sidewalks and landscaping on the PICS Campus, Kolonia, Pohnpei. Buildings will be sited at the location of the existing Science and Social Studies buildings. Proposed facility originally included two, two-story structures with up to 24 classrooms total, connected by a covered walkway. Designer's concept drawings now include two, two-story buildings with a covered atrium in-between with covered ground and second floor walkways connecting to the Math and Science buildings and a ground and floor walkway connecting the Math and Science buildings to the library classroom. Building construction to be reinforced concrete column and beam with reinforced CMU walls and steel roof.

2nd Quarter FY2020 Progress Report:

The project is in the design stage. The implementation status is as follows:

- USACE has completed ITR of 95% Pre-Final Design submittal completed.
- ITR comments submitted to the Design consultant for comments and revision of designs and specifications
- Design is working with the Geotech of record for clarification and coordination to comments.
- Designer has asked for additional time for submittal of annotated comments due to corona virus.

5.6 PICS Campus Improvements: New Social Studies & English Buildings

| | |
|----------------------------------|--------------------------|
| Designer: | TG Engineers (Guam) |
| Surveyor: | Pacific Survey |
| Contractor: | To be competitively bid |
| Preliminary Budget: | Construction \$2,047,000 |
| Designers Construction Estimate: | Not yet prepared |
| Design Modifications: | None |

Project Summary:

The design and construction of new prototype Social Studies and English buildings, handicap access ramp, associated parking, bus dropoff, access roads, and associated sidewalks and landscaping on the PICS Campus, Kolonia, Pohnpei. Buildings will be sited at the location of the existing Science and Social Studies buildings. Proposed facility originally included two, two-story structures with up to 24 classrooms total, connected by a covered walkway. Designer's concept drawings now include two, two-story buildings with a covered atrium in-between with covered ground and second floor walkways connecting to the Math and Science buildings and a ground and floor walkway connecting the Math and Science buildings to the library classroom. Building construction to be reinforced concrete column and beam with reinforced CMU walls and steel roof.

2nd Quarter FY2020 Progress Report:

- USACE has completed ITR of 95% Pre-Final Design submittal completed.
- ITR comments submitted to the Design consultant for comments and revision of designs and specifications
- Design is working with the Geotech of record for clarification and coordination to comments.
- Designer has asked for additional time for submittal of annotated comments due to corona virus.

5.7 PICS Campus Improvements: New Cafeteria/Multi-purpose Building

| | |
|----------------------------------|--------------------------|
| Designer: | TG Engineers (Guam) |
| Surveyor: | Pacific Survey |
| Contractor: | To be competitively bid |
| Preliminary Budget: | Construction \$4,500,000 |
| Designers Construction Estimate: | Not yet prepared |
| Design Modifications: | None |

Project Scope:

The project will provide a major upgrading of the PICS Campus and will comprise the construction of a cafeteria, administrative buildings, covered basketball court, site works, parking and fencing.

- Notice to proceed issued on November 1, 2019
- Kick off meeting held December 16th through December 19th, 2019
- Design work in progress.

5.8 Lukop & Ohmine Elementary Schools

| | |
|----------------------------------|--------------------------|
| Designer: | TG Engineers (Guam) |
| Contractor: | To be competitively bid |
| Preliminary Budget: | Construction \$9,526,000 |
| Designers Construction Estimate: | Not yet prepared |
| Design Modifications: | None |

Project Summary:

School projects may be based upon design components taken from other projects to form and establish a standard design which may be modified and site adapted to individual sites.

Lukop - The design of a prototype classroom building with restrooms, prototype gymnasium and parking lot.

Ohmine - The design of a prototype-classroom building with new restrooms, prototype gymnasium, and parking lot. Additionally, the Ohmine project includes the remodel of existing building to be converted for use as the Early Childhood Education building.

Survey drawings have been used to establish project development including the placement of new buildings, and parking lots.

2nd Quarter FY2020 Progress Report:

30% design submittal has been received for Ohmine Elementary School and ECE. Submittal review is ongoing by PNI-PMO.

5.9 Palikir & Sokehs Powe Elementary Schools

| | |
|-----------|---------------------|
| Designer: | TG Engineers (Guam) |
|-----------|---------------------|

Contractor: To be competitively bid
Preliminary Budget: Construction \$8,560,000
Designers Construction Estimate: Not yet prepared
Design Modifications: None

Project Summary:

School projects may be based upon design components taken from other projects to form and establish a standard design which may be modified and adapted to individual sites.

Palikir - The design of a new 12-classroom building, restrooms, possible multi-purpose/gymnasium building, parking lot, and associated works.

Sokehs Powe - The design of a prototype 12-classroom/administration/library/computer lab building, restrooms, possible prototype gymnasium building, parking lot, and associated works. Possible classroom space for ECE derived from prototype building. Survey drawings have been used to establish project development including the placement of new buildings, and parking lots.

2nd Quarter FY2020 Progress Report:

- Contract Modification 003 and Notice to Proceed issued on November 1, 2019
- Kick off meeting held December 16th through December 19th, 2019

5.10 PICS High School Library Classrooms

Classroom Designer: Leo A Daly
Design Fee for PICS and Pohnlangas: \$445,371 (inclusive of Modifications)
Grant No: GRX0074/2010-COFA-FSM-INFRASTRUCTURE-FY10/GD15AF00035
Contractor: To be competitively bid
Designers Construction Cost Estimate: \$6,353,000
Design Modifications: Addendum 1, Removal of greywater recycling system. Addendum 1.

Project Summary:

The construction of a new two-story library classrooms at the PICS campus in Kolonia

2nd Quarter FY2020 Progress Report:

Designer's annotated responses to USACE 95% review ITR comments are in work.

5.11 Pohnlangas High School Library Classrooms

Classroom Designer: Leo A Daly

| | |
|---------------------------------------|----------------------------------------------------------------|
| Design Fee (for PICS and Pohnlangas): | \$445,371 (inclusive of Modifications) |
| Grant No: | GRX0074/2010-COFA-FSM-INFRASTRUCTURE-FY10/GD15AF00035 |
| Contractor: | To be competitively bid |
| Designers Construction Cost Estimate: | \$6,353,000 |
| Design Modifications: | Addendum 1, Removal of greywater recycling system. Addendum 1. |

Project Summary:

The construction of a new two-story library classrooms at the Pohnlangas campus in Madolenihmw

2nd Quarter FY2020 Progress Report:

- Pre-final designs have been completed by Leo Daly.
- Site adaption and 95% submittal to follow the completion of the PICS Library Classroom Building due to similarity in design.

YAP STATE

6.0 Project Management Office

Contracts for PMO Fiscal Officer Lynette Roldan and Quality Officer Mark Anthony Padua have been renewed for 1 year and 2 years, respectively. Resident Engineer position was filled by the State Planning Engineer William Domingo based. His contract was already processed and waiting for the Entry Permit for him to be able to start working at PMO. Project Management Assistant position was filled by Joseph Lukan and has started office last February 2020.

1. Project Manager - Architect Samuel E. Luzano
2. Project Manager Assistant – Joseph Lukan
3. Project Architect – Architect Rachelle Anne L. Verdejo
4. Resident Engineer – Engineer William Domingo
5. Fiscal Officer – Lynette Roldan
6. Quality Assurance Representative – Engineer Joey R. Arao
7. Quality Assurance Representative – Engineer Mark Anthony C. Padua
8. Administrative Officer – Paula Mitmow

6.1 Project Status on the 3 Schools: Woleai High School/Yap High School and Colonia Middle School

Design Contract

Grant Amount \$1,282,280
 Grant Number D19AF00051
 Designer SNG Enterprise
 Contract Sum \$474,340- Woleai High School
 \$396,220- Yap High School
 \$411,720- Colonia Middle School
 Start Date November 20, 2019
 Completion Date July 31, 2020

| Project Description | Budget Appropriated by Yap State Legislature | SNG CONTRACT AMOUNT | REIMBURSABLE AMOUNT PER SCHOOL | REMARKS | Remaining Balance on the Budget as Appropriated by Yap State Legislature |
|------------------------------|----------------------------------------------|------------------------|--------------------------------|---------------------------------------------------|--------------------------------------------------------------------------|
| Yap High School | \$ 396,220.00 | \$ 396,220.00 | \$ 27,420.00 | | \$ 388,160.41 |
| | | | (8,059.59) | 1st reimbursable billing paid Dec.18, 2019 | |
| | | | \$ 19,360.41 | Remaining reimbursable amount for Yap High School | |
| Colonia Middle School | 411,720.00 | 411,720.00 | 27,420.00 | | 411,720.00 |
| Woleai High School | 474,340.00 | 474,340.00 | 40,340.00 | | 474,340.00 |
| | \$ 1,282,280.00 | \$ 1,282,280.00 | \$ 106,480.82 | | \$ 1,274,220.41 |

Contracts for the A&E Design Consultant were signed by the Governor last October 15, 2019 and were received by PMO last November 13, 2019. The contracts were executed by the Consultant on November 20, 2019 and are preparing for a site visit during the fourth week of January 2020 to validate the conceptual plans and finalize the program requirements; perform topographical surveys prior to start preliminary plans.

Due to the COVID-19 travel ban, SNG Consultants for the 3 schools has postponed their site visit indefinitely for the validation of conceptual plans and finalization of program requirements. Consultants to continue with the design of Yap High School, Colonia Middle School and Woleai High School.

6.2 Outer Island ECEs

Shop drawings were produced and are undergoing revisions to standardize them typically for use of various Early Childhood Education Centers for the following outer island sites:

1. Ulithi
2. Faraulep
3. Woleai
4. Ifaluk
5. Elato
6. Satawal

With the exception of the Outer Island ECE Site at Satawal, which is twice the ordinary, all other sites will use a set of uniform construction drawings.

6.4.1 On legal documents for the department of Education’s Outer Islands Early Childhood Education Centers, “Land Use Agreements” for all outer islands’ sites were secured and kept at Yap PMO with copies to Department of Education neighboring islands education group head.

DOE sent their review and comments for the 5 Outer Island ECE Center (Ulithi, Faraulep, Woleai, Ifaluk & Elato) excluding Satawal and plans are already for revisions. PMO is waiting for the review and comments of the Satawal ECE from DOE.

6.3 Colonia Wellness Center

| | |
|-----------------|-------------------|
| Grant Amount | \$378,000 |
| Grant Number | D19AF00058 |
| Contractor | JC Company |
| Contract Sum | \$370,464 |
| Start Date | December 11, 2019 |
| Completion Date | June 05, 2020 |

| Source of Fund | Budget Appropriated by Yap State Legislature | JC CO. CONTRACT AMOUNT | PROGRESS BILLING | | Remaining Balance on the Budget Appropriated by Yap State Legislature |
|------------------------|----------------------------------------------|------------------------|--------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------|
| Compact Grant | \$ 378,000.00 | \$ 345,833.79 | | | \$ 32,166.21 |
| Japan Grassroots Grant | \$ 90,000.00 | | | | 90,000.00 |
| | \$ 468,000.00 | | | | \$ 122,166.21 |
| | | | \$ 10,460.41 | 1st billing paid 2/14/20 | |
| | | | 9,670.63 | 2nd billing paid 3/10/2020 | |
| | | | 47,961.58 | 3rd billing paid 3/23/2020 | |
| | | | \$ 68,092.62 | Total Progress Billing Paid | |
| | | \$ 277,741.17 | Remaining contract amount after payment of progress billings | | |

JC Co. has been able to secure the Performance Bond and Payment Bond to Moylan Insurance on November 29, 2019. The Owner signed the construction contract and PMO has issued NTP that indicate the commencement of construction activities on December 11, 2019. A pre-construction meeting was held on December 5, 2019 in preparation for the construction works.

Received 4 Bid Proposals on August 15, 2019 for the sports equipment and furnishings. The bid Colonia Wellness Center project completion is at 21%. Construction has slowed down due to the COVID-19 pandemic. The Gym Equipment and Furnishings will have to be re-bid as the previous bids were already expired.

Colonia Wellness Center project completion is at 21%. Construction has slowed down due to the COVID-19 pandemic. The Gym Equipment and Furnishings will have to be re-bid as the previous bids were already expired.

6.4 Refurbishment of YSPSC Water Tanks (Central Water System)

| | |
|-----------------|-------------------------------------------|
| Grant Amount | \$1,500,000 |
| Grant Number | D17AF00014 |
| Contractor | Central Pacific Tanks of Hawaii |
| Contract Sum | \$73,469 (Phase 1 Engineering Assessment) |
| Start Date | October 02, 2019 |
| Completion Date | January 29, 2020 |

| Budget Appropriated by Yap State Legislature | CPT CONTRACT AMOUNT | 1st payment 10/11/2019 | 2nd payment 11/13/2019 | 3rd/final payment 01/21/2020 | Remaining Balance on the Budget appropriated by Yap State Legislature |
|----------------------------------------------|---------------------|------------------------|------------------------|------------------------------|-----------------------------------------------------------------------|
| \$ 1,500,000.00 | \$ 73,469.00 | \$ 7,346.90 | \$ 36,734.50 | \$ 29,387.60 | \$ 1,426,531.00 |

Tank assessment and inspection for Tank #1 and #2 was completed on October 11, 2019. A meeting was held in the YSPSC board room dated October 4, 2019 for Tank #1 and October 11,

2019 for Tank #2. The consultant discussed their preliminary findings of Tank #1 and #2 and has recommend repair and refurbishments for both tanks.

CPT submitted the preliminary report last October 24, 2019 and has been reviewed by PMO and YSPSC. All comments were consolidated and was sent to CPT. The final draft report was submitted to PMO on November 22, 2019.

CPT submitted the final report for Tank 1 and 2 last January 6, 2020. RFP for the engineering design for the repairs and refurbishment of two tanks and the new proposed 250,000-gal tank is for final review and comments of YSPSC. Prior release of RFP, PMO will seek approval from the state Legislature.

6.5 Repair of the existing Historical Preservation Office (HPO-Yap)

| | |
|--------------|------------|
| Grant Amount | \$218,000 |
| Grant Number | D19AF00048 |
| Contract Sum | \$217,620 |

The Historic Preservation Office (HPO) Project was put on hold due to the issue of the site being flood prone, as pointed out by the Office of the Governor. A new site was nominated, however, upon inspection, it was declared unsafe and rehabilitating it will be costly and likewise unacceptable as the building is deemed “condemnable”. In the absence of any alternative site, OIA and the Yap State agreed that the grant be “de-obligated” and returned to OIA.

6.6 Woleai Dispensary Expansion.

The proposed expansion of the Woleai Dispensary was conceptualized by PMO. The drawings were presented to the Department of Hospital Services for their review and comments. Yap PMO had a meeting with Yap DHS last April 4, 2019. To incorporate Yap DHS’ comments on the revisions.

The design for the dispensaries was put on hold and DHS was still in the progress in seeking approval from the government for PMO to be a part of the project.

6.7 YSPSC Central Water/Wastewater Treatment Plant and Outfall Project

| | |
|-----------------|---------------------------------------------------------------------------------|
| Grant Amount | \$219,079 |
| Grant Number | D20AF00028 (formerly D17AF00014) |
| Contractor | PRYZM |
| Contract Sum | \$94,685.17- Water Treatment Plant \$124,393.22- Waste Water Treatment Plant |
| Start Date | -tba- |
| Completion Date | -tba- |

| Budget Appropriated by Yap State Legislature | PRYZM CONTRACT AMT | Scheduled 1st Installment per Contract Agreement | Scheduled Final Payment per Contract Agreement | Remaining Balance on the Budget as of End of 2nd QTR. |
|-----------------------------------------------------|---------------------------|---------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------|
| \$ 219,079.00 | \$ 219,079.00 | \$ 87,631.36 | \$ 131,447.03 | \$ 219,079.00 |

The legislature approved the budget appropriation for the Water and Waste Water System Treatment Plant Preliminary Engineering Design. Grant agreement was released by OIA last November 27, 2019 and the contract is now waiting for Finance to obligate the fund and assign the contract Number.

Contract signing with PRYZM has been postponed indefinitely due to the COVID-19 travel ban to Micronesia. PMO is continuing assisting PRYZM with data and information requirement for the assessment.