

Government of the Federated States of Micronesia

Department of Transportation, Communication & Infrastructure

Division of Program Management Unit

COMPACT SECTOR QUARTERLY REPORT FOR 1ST QUARTER (SEPTEMBER-DECEMBER) 2017

(Public Sector Capacity Building, Private Sector Development, Environment & Enhanced Reporting and Accountability)

I. NARRATIVE SUMMARY

During the Quarter under review, the focus has been on, a) strengthening the Project Management Offices at the National and State levels, in order to enhance the institutional capacity to expedite the delivery of the Infrastructure Development Plan, b) establishing arrangements for the engagement of the United States Army Corps of Engineers to provide technical support to the Project Management Offices, and, c) achieving further progress on the implementation of on-going infrastructure projects.

With respect to the strengthening of the Project Management Offices, recruitment of a Manager and Contracts Management Specialist for the PMU at the National Government was completed during the Quarter. The persons selected for these two positions will start work in January, 2018. This will ensure a fully operational PMU at the National Government level from the second Quarter. In Chuuk, there has been some progress in recruiting finance and administrative staff as well as field inspectors for the PMO. However, positions for key project management and engineering staff remain vacant. An RFP for these positions has been advertised, but suitable candidates have not been found. The vacancies will be advertised during the next Quarter. In the meantime, the PMO is being assisted by a Consultant, Serisola and Associates. In Pohnpei, the PMO is fully operational although recent resignations have led to vacancies for the Project Manager and IT Specialist positions. Recruitment actions to fill these two vacancies are underway. In Kosrae, although the PMO is operational, there are constraints in terms of office space and staffing. During the Quarter under review, an arrangement has been made with the Yap State PMO to provide architectural design services to enable the PMO in Kosrae to solicit bids for the renovation of the office in the next quarter. In Yap, a Manager for the PMO has been recruited and other positions are being filled.

The arrangements for the engagement of the United States Army Corps of Engineers are still being formalized. A Program Implementation Plan was submitted in November, 2017, as a basis for further consultations. It is expected that the financial and contractual arrangements for the engagement of USACE will be finalized during the second Quarter. However, USACE is already providing assistance to the state PMOs, especially with the respect to the provision of an independent review of designs prepared by Consultants.

Progress on the implementation of the on-going infrastructure projects remains slow, but is expected to improve during the next two quarters as the new organizational arrangements for the PMOs will begin to have an impact. At the national level, the design work for the COM Project has been completed and is now under review by the COM and the PMU. In Chuuk, the Weno Road, Drainage and Utilities Upgrade Project is

now substantially completed and is expected to achieve full completion in the next quarter. In terms of new projects in Chuuk, work has started on the implementation of the Tonoas Water Project by the CPUC. Efforts are being made to start the projects for the design and construction of five dispensaries and seven schools. Designs for the five dispensaries have been completed and are now being reviewed by USACE, who have requested a geotechnical investigation to facilitate the completion of their review. With respect to the schools (seven are to be built in the first phase), the Request for Qualification Notice has been issued three times, the latest in December, with a closing date was set at January 4th, 2018.

In Kosrae, the project to provide temporary facilities at the Hospital is now substantially completed while design work for the new hospital is under review by USACE. For the Malem Elementary School Project, the procurement of design service will start during the next quarter, with assistance from USACE. Two other projects, the Port Improvement Project (IMF) and the Peace Corps Volunteer Office Renovation Project are in the final stages of bidding/contract award with work expected to start in the next Quarter. The Utwe Water Project (one of the ADB Funded Omnibus Infrastructure Development Project with complementary funding from the Compact) is substantially completed with the final payment request from the Contractor being reviewed by the PMU. The KPA Port Master Plan Project is on hold, pending the resolution of funding issues.

There are five projects in Pohnpei that are well advanced and all of them should be under construction before the end of FY18. These five projects represent a total construction budget of about \$27 million. The most advanced is the Sekere to NMS Waterline Phase 1, Segment 2, COM to Diadi (8.7 miles). The Contractor has been selected, the Grant has been awarded and the pre-construction meeting is scheduled for early February, 2018. A second pipeline project, Kinakapw to Lehn Diadi, Phase 1 (11.6 miles) is under design review by USACE. Bidding documents are ready and bids will be invited in the next quarter. The Pohnpei Primary Health Care Facility is being designed while the PICS Campus Survey and Facility Improvements is now ready for bidding as the design review has been completed and comments incorporated. The PICS and Pohnlangas High School Library is being designed and the plans are expected to be submitted in January, 2018, following which USACE will undertake the independent technical review. Pohnpei State is also implementing two IMF Projects, the renovation of the Ohmine Elementary School Building (25% completed) and the Renovation of the Pehleing Elementary School (75% completed).

In Yap, there has been no further progress on the Woleai High School. However, the PMO will be arranging a visit to Woleai during the next quarter, after which, work will start on the preparation of conceptual designs. The PMO has also developed a revised Master Plan of the Yap High School as well as conceptual designs for the Yap High School Recreation Center and Study Hall. Conceptual designs have also been developed for the Colonia Middle School Classrooms and Computer Laboratory Building to assess the site conditions in the design.

2. PROJECT STATUS – FSM NATIONAL GOVERNMENT

ENTITY	PROJECT NAME	CONTRACTOR CONSULTANT	CONTRACT COST (Including Change Orders)	START DATE	COMPLETION DATE		STATUS/UPDATES
					ESTIMATED	ACTUAL	
FSM	Project Management Services – Establishment of PMU	N.A					Staff have been recruited for the positions of PMU Manager and Contracts Management Specialist. The recruited Consultants will start work in January, 2018
FSM	College of Micronesia (COM) Projects-Design	BECA International Ltd	\$707,042	May 1, 2017	March 31, 2018		The designs have been submitted and are being reviewed by COM and the PMU. It is expected that the designs will be finalized during the next Quarter.
FSM	College of Micronesia (COM) – New Health Clinic	N.A	\$1,590,000 (Estimated cost for design and construction)				The process of selecting an A&E Firm to develop the designs will begin during the next Quarter

ENTITY	PROJECT NAME	CONTRACTOR CONSULTANT	CONTRACT COST (Including Change Orders)	START DATE	COMPLETION DATE		STATUS/UPDATES
FSM	College of Micronesia – Infrastructure Upgrade	N.A	\$835,000 (Est. Cost)				The process of selecting an A&E Firm to develop the designs will begin during the next Quarter
FSM	COM – Kosrae Campus – Design of Multi-Purpose Building	N.A	\$329,000 (Est. Cost)				The process of selecting an A&E Firm to develop the designs will begin during the next Quarter
FSM	COM Chuuk Campus – Building 1&2, On-Site Power, Water Supply & Sewer System, Parking and Walkways- Design	N.A	\$1,377,000 (Estimated Cost)				Selection of A&E Firm will start during the next Quarter

3. PROJECT STATUS – CHUUK STATE PROJECTS

ENTITY	PROJECT NAME	CONTRACTOR CONSULTANT	CONTRACT COST (Including Change Orders)	START DATE	COMPLETION DATE		STATUS/UPDATES
					ESTIMATED	ACTUAL	
Chuuk	Project Management Services – Establishment of PMO	N.A					While some progress has been made in staffing the PMU, a number of key positions remain vacant. These include, a) the PMO Manager, b) Contracts Officer, and, c) 4 Engineering positions. A Consulting Firm (Serisola and Associates) are providing technical support. A fresh attempt will be made to fill the key vacancies during the next Quarter..
Chuuk	Construction of Weno Road Drainage and Utilities Upgrade - Phase 1	GPPC, Inc	\$8,205,601	24 Nov, 2014	February 9, 2018		<p>The Contractor has informed the Resident Engineer that the Project Works as covered in the original scope and modified under Change Orders 1-14, have been substantially completed. Change Order No. 15 has been issued to extend the time for completion to Feb 9, 2018. The works will be inspected during the next Quarter and a recommendation made with respect to the issuing of the Certificate of Substantial Completion.</p> <p>There are several unresolved issues, including, a) a Claim for Standby Time, b) left over aggregates, and c) work which could not be carried out because of funding limitations. These issues will be addressed during the next</p>





Quarter.

ENTITY	PROJECT NAME	CONTRACTOR CONSULTANT	CONTRACT COST (Including Change Orders)	START DATE	COMPLETION DATE		STATUS/UPDATES
Chuuk	Design of 5 Dispensaries in the Chuuk Lagoon (Fefan-Sapore, Fefan-Unono, Fonoton-Sapota, Parem and Romonum)	Beca International	\$149,000	June, 2010		April, 2011	Prototype designs were developed by Beca International in 2011.. However, in the Design Booklet provided by Beca, a number of site parameters need to be established prior to the finalization of the designs. These include, the soil strength capacity, water table elevation and the soil infiltration capacity. Accordingly, in order to complete the Independent Technical Review, the USACE have requested a geotechnical survey. A cost proposal has been requested from Geo-Engineering and Testing, Inc, from Guam. The proposal is being reviewed and it is expected that the geotechnical survey will be carried out during the next Quarter.
Chuuk	Design of 7 Schools at Eot, Ettal, Pwene, Welpat, Faichuk, Mortlock and Southern Namoneos	N.A	\$14,418,000 (Estimated Design and Construction Cost)				The Request for Qualifications (RFQ) for A&E firms was advertised on December 7 th , 2017, for the third time. This time, the scope of work was given as 68 Schools. The response was, again, very poor. Given the poor response, USACE and the PMU will assist the Chuuk State PMO to re-advertise again in the next Quarter.
Chuuk	Tonoas Water System	Chuuk Public Utility Authority (Grant recipient)	\$750,000 (Grant Amount)	Oct 3, 2017			CPUC has contracted a local contractor to undertake the civil works comprising the rehabilitation of the water



treatment plant. These works are about 50% completed.

Bids have been invited for the replacement of mechanical and electrical equipment, including pumps, and a standby generator.

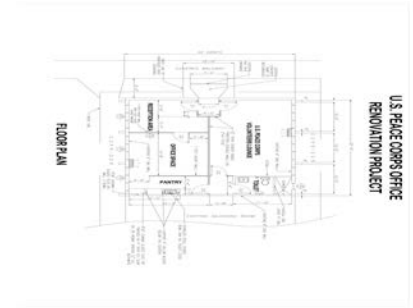
CPUC are also upgrading the treatment plant process and providing operating manuals to support improved operation and maintenance.

Chuuk	CPUC Office and Warehouse	Chuuk Public Utility Authority (Grant recipient)	\$350,000 (Grant Amount)				CPUC is still in the process of identifying sites for the Office and Warehouse.
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4. PROJECT STATUS – KOSRAE STATE PROJECTS

ENTITY	PROJECT NAME	CONTRACTOR CONSULTANT	CONTRACT COST (Including Change Orders)	START DATE	COMPLETION DATE		STATUS/UPDATES
					ESTIMATE	ACTUAL	
Kosrae	Project Management Services – Establishment of PMO	N.A					The PMO for Kosrae is under-staffed with only the PMO Manager in place. He has no support staff and is effectively running a one-person office. It is expected that additional staff will be recruited once the situation with respect to lack of office space is resolved. In order to resolve the office space issue, the Kosrae PMO has solicited assistance from the Yap PMO (headed by an Architect) to develop the drawings for the PMO office renovation. It is expected that the drawings will be ready during the next Quarter.
Kosrae	Kosrae Hospital Temporary Facilities	Designer: Beca Consultants Contractor: ABCOR Engineering and Construction, Inc	\$302,669	January 9, 2017	August 9, 2017	31 December, 2017	The Project has been completed and the Certificate of Substantial Completion has been issued. The only remaining closeout items are the submission of as-built drawings and the operations and maintenance manuals.
Kosrae	Design of Kosrae Hospital	Beca International	\$1,663,644		March 31, 2018		The designs have been submitted and have been subject to an Independent Technical Review which has concluded that further work is needed. The comments from USACE have been forwarded to Beca International for their comments. However, Beca have indicated that there should be additional costs to address the design issues raised by USACE. Further consultations to resolve the matter are ongoing.

ENTITY	PROJECT NAME	CONTRACTOR CONSULTANT	CONTRACT COST (Including Change Orders)	START DATE	COMPLETION DATE		STATUS/UPDATES
Kosrae	Construction of Kosrae Hospital	N.A	\$17,000,000 (Estimated construction cost)		Dec 31, 2021		Bids for the construction of the Kosrae State Hospital were received in April, 2017, and evaluated. The bids have now expired. Issues relating to the bidding process and the authenticity of the lowest evaluated bidder have also emerged and it now seems likely that there will be a new bidding process once the design issues have been resolved.
Kosrae	Kosrae Hospital – Construction Management Services	Leo A. Daly	\$2,875,555				The terms and conditions of the proposed construction management contract have been reviewed by the State AG’s Office and found acceptable. The fee proposal is being reviewed. The contract is expected to be finalized in the next quarter.
Kosrae	Port Improvement (IMF)						Five bids were received and opened on December 4 th . Lowest responsive bidder was JS Construction & Furniture. The contract is expected to be awarded in mid January as soon as legal sufficiency of the contract document is completed.
Kosrae	Peace Corps Volunteer Office Renovation	TE Construction	\$36,000	Oct 2, 2017	Dec 30, 2017	March 30, 2018	The works are about 40% completed



5. PROJECT STATUS – POHNPEI STATE PROJECTS

ENTITY	PROJECT NAME	CONTRACTOR CONSULTANT	CONTRACT COST (Including Change Orders)	START DATE	COMPLETION DATE		STATUS/UPDATES
					ESTIMATED	ACTUAL	
Pohnpei	Project Management Services – Establishment of PMO	N.A					The PMO has been established and is fully operational. However there are two vacant positions – the PMO Manager and the IT Specialist. Efforts are being made to fill these two positions and the interview process for the IT Specialist position has been completed. Additional Quality Assurance Inspectors are also being recruited in view of the number of projects that will soon be under construction.
Pohnpei	Kinakapw to Lehn Diadi Waterline Phase 1- Design	Designer: Lyon Associates, Inc			March 31, 2018		The designs are being reviewed by USACE. The bidding documents are ready pending USACE approval of the designs. Once the designs are approved, bids will be invited for the construction of the Project.
Pohnpei	Sekere to NMS Waterline Phase 1, Segment 2, COM Palikir to Diadi	Designer: Lyon Associates Contractor: Abcor Engineering and Construction	\$6,077,270 (Estimated)				The Grant has been awarded and the kick-off meeting with the selected Contractor and USACE has been scheduled for early February, 2018. In the meantime, the Grant is already with the State Legislature, waiting for appropriation. As soon as the grant is appropriated, the Contract will be executed followed by the Issuance of the Notice to Proceed.
Pohnpei	Primary Healthcare Facility - Design	Leo A. Daly					The design process has been going on now for about 3 years and has been affected by a number of issues including disagreements with the PMU, and changes in design scope. The Pohnpei PMO are now making

							every effort to ensure the completion of the designs. In this regard, Bi-Weekly Skype conferences are being held. 60 percent design submittal is scheduled for January, 2018
ENTITY	PROJECT NAME	CONTRACTOR CONSULTANT	CONTRACT COST (Including Change Orders)	START DATE	COMPLETION DATE		STATUS/UPDATES
Pohnpei	PICS Campus Survey and Facility Improvements						The technical review of the project design documents has been completed by the Army Corps of Engineers. All comments have been incorporated into the documents. The Design Team has reviewed the revisions and accepted the changes with no additional fee. Grant award has been requested.
Pohnpei	PICS and Pohnlangas HS Library	Leo A. Daly	\$445,371				Designs are nearing completion. Leo Daly will send the plans for PICS in January for review. Once the plans are received, they will be sent to USACE for review.
Pohnpei	IMF Project – Ohmine Elementary School Renovation		\$120,563				Building renovation works are in progress. The Contractor has completed installation of the new roofing system. The progress of works is about 25% of the total scope of works.
Pohnpei	IMF Project – Pehleng Elementary School Renovation		\$25,353				Pehleng Elementary School Building renovation is in progress. The Contractor has completed about 65% of the total scope of the works. The new roofing system is completed. The louvre frames are installed and the painting has started.

6. PROJECT STATUS – YAP STATE PROJECTS

ENTITY	PROJECT NAME	CONTRACTOR CONSULTANT	CONTRACT COST (Including Change Orders)	START DATE	COMPLETION DATE		STATUS/UPDATES
					ESTIMATED	ACTUAL	
Yap	Project Management Services – Establishment of PMO	N.A					The PMO in Yap now has a staff of four personnel as follows, Project Manager, Project Manager Assistant, Quality Assurance Representative and Administrative Officer. A Resident Engineer has been hired and will start work in February, 2018. The PMO is also in the process of hiring a Fiscal Officer. Two vehicles have been purchased and will be delivered during the next quarter. Orders have been placed for office equipment and furniture. It is expected that the PMO will be fully operational by the end of the next quarter.
Yap	Woleai High School.						The PMO is planning a visit to Woleai during the month of February, 2018, to undertake a field reconnaissance before starting the process of developing a conceptual design.
Yap	Yap High School						PMO has prepared a revised master plan for the Yap High School. Conceptual planning and design, including preliminary engineering budget, has been prepared for the Yap High School Recreation Center and Study Hall.

