

**OMNIBUS INFRASTRUCTURE DEVELOPMENT PROJECT**  
**STATUS AS ON FEBRUARY 29, 2016**

PROJECT: UTWE WATER SUPPLY SYSTEM IMPROVEMENT PROJECT, KOSRAE

CONTRACTOR: ORION CONSTRUCTION CORPORATION, GUAM

START DATE: DECEMBER 08, 2013

COMPLETION DATE: JAN 12, 2015 (ORIGINAL)  
MAY 31, 2016 (EXPECTED)

REASONS FOR DELAY: 1. CONTRACTOR'S INABILITY TO MOBILIZE – TIME LOST: FOUR MONTHS  
2. DESIGN CHANGES FOR ENHANCED SUSTAINABILITY SIX MONTHS INTO THE PROJECT RESULTING IN IDENTIFICATION OF SUBSTANTIAL QUANTITIES OF NON-BOQ ITEMS  
3. PROCUREMENT OF NON-BOQ ITEMS INITIATED IN JANUARY 2015, AFTER FINALIZING ALL ITEMS IN LINE WITH THE CHANGED DESIGN  
4. ALL ITEMS AT SITE AS ON DATE EXCEPT SOME CRITICAL ITEMS LIKE SENSORS. 30% FILTER MEDIA YET TO BE SUPPLIED  
5. INADEQUATE RESOURCES  
6. REWORK ON ACCOUNT OF INFERIOR QUALITY OF WORK

CONTRACT VALUE: \$ 2,097,645.40 (ORIGINAL)  
\$ 2,630,531.34 (UP TO CHANGE ORDER NO. 4)

NUMBER OF CHANGE ORDERS: FOUR (4)

REASON FOR CHANGES: 1. DESIGN REEVALUATED FOR ENHANCED SUSTAINABILITY  
2. NUMBER OF HOUSE CONNECTIONS INCREASED FROM 185 TO 210

INVOICING STATUS: \$ 2,579,480.97 AS ON MARCH 31, 2015  
(98% OF REVISED CONTRACT PRICE)

OVERBILLING: \$ 141,301.66. ORION INFORMED. RECONCILIATION TO BE CARRIED OUT.

BALANCE TO INVOICE: \$ 51,050.37 (2%)

DEFECT LIABILITY PERIOD: ONE YEAR (CIVIL WORKS AND PIPE LINE)  
TWO YEARS (PUMPS AND EQUIPMENT)

**NOTE: LEAK DETECTION HAS COMMENCED ON MARCH 07, 2016.**

# OMNIBUS INFRASTRUCTURE DEVELOPMENT PROJECT

STATUS AS ON FEBRUARY 29, 2016

PROJECT: **POHNPEI SEWERAGE – REFURBISHMENT AND AUGMENTATION OF THE WASTEWATER TREATMENT PLANT AND LIFT PUMPS AND REFURBISHMENT OF DEKEHTIK PUMP STATION**

CONTRACTOR: CCB ENVICO, MELBOURNE, AUSTRALIA

START DATE: SEPTEMBER 09, 2010

COMPLETION DATE: DECEMBER 06, 2013 (ORIGINAL)  
JULY 06, 2015 (REVISED – COMPLETION OF O&M OF ORIGINAL CONTRACT)  
JULY 31, 2017 (WITH TWO YEAR EXTENSION OF O&M – CO#12)

REASONS FOR DELAY:

A. <i>CONSTRUCTION OF WWTP</i>	DELAY
FORM REINFORCEMENT AND POUR ASD TANK BASE	3 MONTHS
MAIN ASD PROCESS TANK	4 MONTHS
DESIGN	14 MONTHS (3/12 TO 5/13)
OVERALL COMPLETION (BEFORE START OF O&M)	14 MONTHS (12/12 TO 2/14)
FUNCTIONAL GUARANTEE TESTS	3 MONTHS
EXTENSION OF PERFORMANCE SECURITY	7 MONTHS
B. <i>DEKEHTIK</i>	
DATE OF CHANGE ORDER:	MAY 07, 2014
PLANNED COMPLETION (REVISED):	FEB 13, 2015
SUBSTANTIAL COMPLETION (ACTUAL):	MAY 22, 2015
C. <i>REFURBISHMENT OF EXISTING CLARIFIER</i>	
CHANGE ORDER #4 SIGNED ON FEBRUARY 04, 2014	
PLANNED COMPLETION:	MAR 06, 2014
COMPLETED:	JULY 07, 2015
DELAY:	16 MONTHS
D. <i>OUTFALL</i>	
CHANGE ORDER #3 DT. JULY 30, 2013, SIGNED ON NOV. 07, 2011)	
COMPLETION TARGET:	JUNE 15. 2013
COMPLETED:	FEBRUARY 2014
DELAY:	8 MONTHS

CONTRACT VALUE: \$ 5,699,070.00 (ORIGINAL)  
\$ 7,956,037.00 (FINAL - INCL. DEKEHTIK: \$ 494,751.00, TWO YEARS EXTENDED O&M – AUGUST 07, 2015 TO AUGUST 06, 2017 AND NEW STORAGE FACILITY – CO#13, YET TO BE EXECUTED)

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REASON FOR CHANGE: 1. THROUGHOUT THE EXECUTION OF THE CONTRACT, SEVERAL VARIATIONS WERE SUGGESTED BY CCB AND APPROVED BY PUC FOR BETTER PERFORMANCE OF THE PLANT. HOWEVER, CCB DELAYED IN EXECUTION OF EACH AND EVERY CHANGE ORDER.  
2. ONLY DELAY ON THE PART OF PUC HAS BEEN BECAUSE THE ARRANGEMENT OF TRANSFORMERS TOOK TIME.

NUMBER OF CHANGE ORDERS: THIRTEEN (13)

INVOICING STATUS: \$ 6,701,133.00 AS ON OCTOBER 07, 2015  
(84.22% OF FINAL CONTRACT PRICE)

BALANCE TO INVOICE: \$ 1,254,904.00 (15.78% UP TO AUGUST 06, 2017)

DEFECT LIABILITY PERIOD: MAY 21, 2016 FOR DEKEHTIK  
JULY 06, 2015 FOR WWTP  
JULY 06, 2016 FOR EXISTING CLARIFIER

**NOTE: WORK ON CHANGE ORDER #13 (160 DAYS) YET TO START AS PUC HAVE NOT ISSUED NOTICE TO PROCEED**

**OMNIBUS INFRASTRUCTURE DEVELOPMENT PROJECT**  
**STATUS AS ON FEBRUARY 29, 2016**

PROJECT: REHABILITATION OF POHNPEI SEWERAGE RETICULATION SYSTEM

CONTRACTOR: ORION CONSTRUCTION CORPORATION, GUAM

START DATE: MAY 02, 2011

COMPLETION DATE: ORIGINAL: SEPTEMBER 20, 2012  
SUBSTANTIAL COMPLETION: NOVEMBER 15, 2012  
REVISED COMPLETION: MAY 23, 2016 (CO#11)

REASONS FOR DELAY: I&I STUDY DID NOT COVER MANY SEWER MANHOLES AND PIPE REPAIR WORKS WHICH WERE LATER IDENTIFIED BY THE RESIDENT ENGINEER AND REPRESENTATIVES OF PUC DURING EXECUTION, RESULTING IN EXTENSION OF THE CONTRACT

CONTRACT VALUE: \$ 999,799.00 (ORIGINAL)  
\$ 1,581,005.96 (UP TO AND INCLUDING CO#11)

NUMBER OF CHANGE ORDERS: ELEVEN (11))

REASON FOR CHANGES: INCOMPLETE I&I STUDY, AND SUBSEQUENT IDENTIFICATION OF PROBLEM AREAS BY PUC

INVOICING STATUS: \$ 1,395,242.70 AS ON NOVEMBER 06, 2015  
(88.25% OF FINAL CONTRACT PRICE)

BALANCE TO INVOICE: \$ 185,763.26 (11.75% UP TO SEPTEMBER 27, 2015)

DEFECT LIABILITY PERIOD: DECEMBER 14, 2013 (UP TO AND INCLUDING CO#4)  
SEPTEMBER 27, 2016 (CO#9)  
JUNE 11, 2017 (CO#10)  
MAY 22, 2017 (CO#11)

**NOTE: WORK ON CHANGE ORDER #10 AND 11 YET TO START AS PUC HAVE NOT ISSUED NOTICE TO PROCEED**

## OMNIBUS INFRASTRUCTURE DEVELOPMENT PROJECT

**STATUS AS ON FEBRUARY 29, 2016**

PROJECT: **GAGIL-TOMIL WATER SUPPLY SYSTEM  
IMPROVEMENT TO WATER SUPPLY IN MAAP AREAS**

CONTRACTOR: GPPC INC., SAIPAN

START DATE: DECEMBER 06, 2013

COMPLETION DATE: APRIL 13, 2015 (ORIGINAL)  
NOVEMBER 04, 2015 (REVISED)

REASONS FOR DELAY: 1. IDENTIFICATION OF ADDITIONAL WORK BY DPW&T TO CATER TO  
NEEDS OF MUNICIPALITIES  
2. DELAY BY CONTRACTOR IN AUGMENTING RESOURCES

CONTRACT VALUE: \$ 2,523,197.00 (ORIGINAL)  
\$ 2,446,632.90 (UP TO AND INCLUDING CO#3)

NUMBER OF CHANGE ORDERS: THREE (3)

REASON FOR CHANGES: ADDITION AND DELETION TO SCOPE OF WORK AS AGREED

INVOICING STATUS: \$ 2,242,490.25 AS ON OCTOBER 07, 2015  
(91.66% OF FINAL CONTRACT PRICE)

BALANCE TO INVOICE: \$ 204,142.65 (8.34%)

DEFECT LIABILITY PERIOD: NOVEMBER 04, 2016 (CIVIL WORKS AND PIPE LINE)  
NOVEMBER 04, 2017 (PUMPS AND EQUIPMENT)

**NOTE:**

- 1. CHANGE ORDER #3 WILL BE ISSUED ALONG WITH LETTER ON PROJECT PERFORMANCE, ASSESSING LIQUIDATED DAMAGES**
- 2. SYSTEM HANDED OVER BY CONTRACTOR TO DT&I, BUT GTWA HAVE ISSUES WITH MAAP MUNICIPALITY OPERATING THE SYSTEM. IDLING SINCE NOVEMBER 04, 2015 (MORE THAN FOUR MONTHS)**
- 3. LETTER WRITTEN BY MAAP MUNICIPALITY TO GOVERNOR OF YAP SEEKING INTERVENTION. RESPONSE AWAITED.**

OIDP **CHUUK**: STATUS AS ON FEBRUARY 29, 2016 ATTACHED.

**1 SUMMARY OF PROGRESS IN PROCUREMENT & CONSTRUCTION**

<b>ADB OCR &amp; ADF LOAN PROCUREMENT SUMMARY</b>		
<b>Project Material Supply</b>	<b>US\$ '000</b>	<b>%</b>
<b>Total Estimated Value</b>	<b>5,491</b>	
Specified	5,454	97.6%
Quoted	5,454	97.6%
Ordered	5,454	97.6%
Received	5,454	97.6%
<b>Balance of Funds</b>	<b>37</b>	<b>0.7%</b>

**Note:** balance of funds reserved for IDC until loan closure

<b>US COMPACT FUND TOTAL</b>	<b>US\$ '000</b>	
<b>TOTAL GRANT AVAILABLE</b>	<b>7,690</b>	
<b>Commitment to End January 2016</b>		
<b>1. Supply Continuity</b>	<b>234</b>	<b>3.0%</b>
Generator overhaul - 2013	234	3.0%
<b>2. ADB Loan Project Funding</b>	<b>240</b>	<b>3.1%</b>
Import duties	150	1.9%
Warehousing for OIDP project	27	0.4%
Line Construction Supervisor	63	0.8%
<b>3. Power Plant</b>	<b>917</b>	<b>11.9%</b>
Power Plant Land Lease	385	5.0%
Boundary Fencing	98	1.3%
Design & Bid Consultants	182	2.4%
Implementation Supervision Consultants	197	2.6%
Geo Tech Survey	55	0.7%
<b>Total Commitment To End January 2016</b>	<b>1,390</b>	<b>18.1%</b>
<b>Balance of Funds Available</b>	<b>6,300</b>	<b>81.9%</b>

There is no change in commitments under the project in February 2016.

**2 KEY ISSUES**

The scope of the ADB Loan portion of the project is now complete. All supplier payments have been completed. Reconciliation has been carried out with ADB to confirm the balance of US\$37,000 against the OCR and ADF loans.

The Compact portion of the OIDP is 18.1% drawn down. The final scope of work for the contractor and for CPUC has been agreed. The power plant supply and installation contract value is US\$6,237,928. A letter of intent will be issued to the contractor RJE Pty. Ltd. of Australia on Tuesday 1<sup>st</sup> March confirming the contract price and allowing a 21 day period in which to finalise the contract agreement. The delivery period is 10 months from the date of signing of the contract.