



KOSRAE STATE GOVERNMENT
Project Management Office
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KOSRAE STATE QUARTERLY REPORT FOR 3rd QUARTER FY 26

4.0 Project Management Office Administrative

Since previous quarter one applicant for the Quality Assurance Position has been certified by the FSM Personnel Office. We will wait another month or so to see if there are any other applicants.

FSM DoE Proper projects have been idle this period allowing Sam to focus on IMF projects and KHS renovation.

The PMO prepared the Development Review Permit Application for the Kosrae Causeway Project under FSM PRIME. To date it has not been approved.

The PMO is still struggling to meet Philippine Government requirements for their approval of employment contracts for engineer Noel Comendador.

Instrumentman Berley F. Tulensru completed his WSD&T training with PMO on July 10 and will apply for our new instrumentman position in FY 27.

Mr. Steiner Siba joined the pmo team as a surveying instrumentman trainee under the Workforce, Skills Development and Training Program managed by the Kosrae Department of Education.

4.1 Arthur P. Sigrah Memorial Hospital Construction

Designer: BECA Consultants

Contractor: GPPC, Inc.

Grant Award Number: D23AF00067

Grant Expiration Date: 9/30/2027

Grant Amount: \$41,532,163.00

Fund and Program account: A3-19-04-19073-23/8301

Contract Number: C156507

Original Cost: \$35,888,988.00
Project Start Date: June 8, 2023
Original Contract Completion Date: January 23, 2027
Current Contract Completion Date: July 9, 2027
Expected Completion Date: July 9, 2027. Based on incomplete progress schedule
Percent Complete: 33%
Payments to Date: \$8,538,530.41 No new payments this quarter due to lack of approved progress schedule and submittal log.
Material Compliance Submittals Approved to date: 170
Material Compliance Submittals Under Review: 5
Requests for Information Closed to Date: 178
Requests for Information Pending: 3
Number of Expat Employees: Increased from 62 to 83 due to ongoing recruitment efforts. GPPC continues to use skilled workers for unskilled work.
Number of Locally Hired Employees: 3
Approved Change Orders to Date: 11
Value of Approved Changes: \$1,993,890.25
Pending Change Orders: 9
Estimated Value of Pending Changes: \$1,487,212.86.
Potential Claims: 6
Estimated Value of Potential Claims: \$46,000.

Work Summary for this quarter

1. Royal Rock Quarry:

- a. Concrete aggregate production.
- b. Sand production.
- c. Basecourse production

2. Senny's Quarry: None

3. Tofol Staging Area:

- a. Crusher producing aggregate
- b. Washing sand & aggregates.

4. General site works:

- a. Housekeeping
- b. Grass Cutting
- c. Maintaining safety barriers and signage.
- d. Maintaining environmental protection controls.
- e. Cutting CMU blocks

5. Building 100: Water Treatment Plant

- a. Tree Stump Removal
- b. Slab for water storage tanks installed and backfilled

6. Building 200 Inpatients Wing

- a. Plumbing and Electrical rough in
- b. Pouring reinforced concrete door and window lintels.

7. Building 300: Surgical

- a. Remedial work on defective walls
- b. Tie beams to building 400
- c. Internal wall plastering

8. Building 400 Ancillary Services

- a. Demolish existing footings as needed
- b. Install lean concrete and new footings
- c. Lay CMU between footing and floor level
- d. Beam thickening at switch room.

9. Building 500 General Outpatients

- a. Demolishing Floor slabs.
- b. Excavate new footings
- c. Plumbing and electrical rough in.

10. Stormwater

- a. Trenching, bedding and pipe laying from water treatment plant to top of stairway near banyan tree
- b. Construct storm manhole no 7 from bottom to lid frame.
- c. Install retaining wall drainage at building 200.

11. Sanitary Sewer

- a. Pipelaying behind retaining wall from SMH 3 to SMH2

12. Electrical Compound

- a. Install rigid concrete pavement

13. Retaining Wall Stage 2 of 4

- a. Backfilling

14. Retaining Wall Stage 3 of 4

- a. Install sheet pile guide and temporary works

15. Water Supply

- a. Trenching commenced between water treatment Plant and building 700.

16. Power Supply: No Work.

Significant Events

- SSFM issued a letter to Mr. Hang Chieng Tan, Owner of GPPC expressing concerns over lack of effective project management.
- Beca mechanical engineers met with SSFM RE to discuss HVAC controls compliance issue with Contractor submittals.
- Trees removed at Building 100 area by Kosrae DT&I.
- Construction Schedule update #1, July 31, 2023 approved.
- Outstanding contractor actions list sent to Mr. Hang Chieng Tan, Owner of GPPC.
- Annie Pagulayan, Vice President of GPPC arrives on site from June 18 to July 21.
- Structural steel starts to arrive on island for Building 200 roofing.
- Site Instruction issued for VO #27 – Temporary Trash Rooms.
- Daily scheduling meetings stop until Contractor has obtained legal advice.
- Existing sewer manhole unblocked by DHS and DT&I.

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: 100% (original scope)

Financial % Complete: 98%

The ITR process was completed in August 2020 just prior to the second bidding. Based on most recent report from USACE, the balance as of 6/3/2026 was \$3,789.76. Request for first and second quarter expense report has not been fulfilled.

4.3 Arthur P. Sigrah Memorial Hospital Rehab Construction Phase Design Services

Contractor: Beca International Consultants Ltd.

Grant Award Number: D22AF00240: \$200,000

D23AF00067: \$248,150

\$136,475

\$600,000

DF19AF00045 \$483,067

Grant Expiration Date: September 30, 2024/September 30, 2027/September 30, 2026

Fund and Program account: A3-19-70-70-19811-22/8310: \$200,000.00

A3-19-04-14-19703-23-8310: \$848,150.00

3/19/04F002/19/83/000000: \$ 483,067.00

Contract Number: C153553
Original Cost: \$448,150.00
Current Cost: \$1,667,692.00
Notice to Proceed Date: August 1, 2023
Original Contract Completion Date: December 8, 2023 Design tasks only not counting Car parks and generator sites
Current Contract Completion Date: August 15, 2027
Percent Complete (financial): 80%

Beca continues to review requests for information, material compliance submittals and shop drawings as needed.

4.4 Malem Elementary School Improvement Design Services

The request for fee proposal was issued to Beca in March. Beca has requested clarification on some of the design criteria and on site information. USACE & PMU been requested to advised on design criteria issues. USACE responded with the requested info on July 28th. PMO is now working to update design criteria document for the design contract.

4.5 Port Improvement (IMF)

Grant amount: \$100,000
Grant Award Number: D17AF00015-00020
Task: Kosrae Airport Terminal Fencing Upgrade
Contractor PMW Construction Company
Contract Number State: C174769
Amount: \$88,621.25
Contract Number FSM: CK25004
Amount: \$11,351.25
Total Contract Cost: \$99,972.50
IMF Share: \$49,986.25
Local Share: \$49,986.25
Contract Completion: 100%

The project has reached substantial completion and a punchlist has been generated. Joint inspection with KPA was held on July 24.

4.6 Okat Bridge Utility Relocation Design

Consultant: Pryzm Consulting, LLC.
Grant Award Number: D21AF100116: \$150,000.00
Grant Expiration Date: September 30, 2022 (expired)
Contract Notice to Proceed: April 27, 2021
Contract Number: C133254
Original Cost: \$142,713.00

Project Start Date: May 11, 2021
Original Contract Completion Date: October 23, 2021
Current Contract Cost: \$142,713.00
Percent Complete: 98%
Current Estimated Completion date: April 30, 2024

USACE has given approval of the plans specs, draft contract and bidding documents. The project will remain on hold until sufficient construction funding is available. Partial funding has been requested in FY 27 AIP. The remaining funding needed will be requested in FY 28. Pryzm has agreed to provide additional supporting documents to justify more clearly their change order request for close out of the ITR process. This request is under review by the PMU now.

4.7 USACE Program Management Support for FY 19 FSM (K) 19-001

Grant Award Number: D21AF0015-00
Grant Amount: \$141,000
Original Grant Expiration Date: 9/30/2022
Current Grant Expiration Date:
Contract Number: C133431
Work Agreement Original Cost: \$141,000.00
Project Start Date: 6/24/2021
Original Contract Completion Date: December 2022
Current Contract Cost: \$141,000.00
Percent Complete: 96%
Current Estimated Completion date: December 31, 2025

This project is ongoing. Most of USACE support at this time is under the hospital construction project in support of their resident engineer. Based on the last fund status report received this Work Agreement had a balance of \$4,095.35 as of June 3, 2026. Status report for first and second quarter has been requested but not yet been received.

4.8 USACE Technical Support for MES Improvement and Okat Bridge Utility Relocation FSM(K) 21-002

Grant Award Number: D22AF0049-00
Original Grant Amount: \$141,000
Current Grant Amount: \$143,800
Original Grant Expiration Date: 9/30/2023
Current Grant Expiration Date: 12/31/2025
Contract Number: C158273
Work Agreement Original Cost: \$143,800.00
Project Start Date: April 1, 2024

Original Contract Completion Date: December 2024
Percent Complete: 90%
Current Estimated Completion date: December 2026

Refer to item 4.6 for status of ITR for Okat Bridge project. Once the Malem Elementary School 35% design submittal is received, it will be submitted to USACE for review. The balance of this work agreement as of 6/3/2026 was \$113,247.08.

4.9 USACE Construction Oversight Services for Kosrae Hospital Rehab Project FSM(K) 23-001

Grant Award Number: D23AF0067-00
Original Grant Amount: \$41,532,163.00
Original Grant Expiration Date: 9/30/2027
Contract Number: C156080
Work Agreement Original Cost: \$1,287,822.00
Project Start Date: February 1, 2024
Original Contract Completion Date: May 31, 2027
Current Contract Cost: same as above
Percent Complete: 72%
Current Estimated Completion date: May 31, 2027

Mr. Lees continues to provide resident engineer services for the project on behalf of Argo Consulting, SSFM Inc. and USACE. Fund balance for this Work Agreement is \$3,344.32 as of 6/3/2025. Fund status has been requested for first and second quarter but not yet received.

4.10 Agriculture Station Improvement

Grant Award Number: D21AF0017-00
Grant Amount: \$294,000
Original Grant Expiration Date: 9/30/2024
Current Grant Expiration Date: 9/30/2026

PIGGERY REHAB
Contractor: VCS Construction and Supplies
Contract Number: C175298
NTP Date: 9/22/2025
Contract Completion Date: 3/21/2026
Contract Cost \$66,077.00
Per Cent Complete: 100%
Substantial Completion Date: December 30, 2025

This project is complete and closed. PMO invited bids in June to install a new water system for the piggery building. Once this work is completed the building will be fully functional.

CITRUS GREENHOUSE

Contractor: VCS Construction and Supplies

Contract Number: C175299

NTP Date: 9/22/2025

Contract Completion Date: 3/21/2026

Contract Cost \$72,736.00

Per Cent Complete: 95%

Substantial Completion Date: January 6, 2026

The project is completed and in use by DREA Agriculture division at this time.

4.11 COM Kosrae Campus Student Center

Kosrae State budgeted \$104,288 for this project in FY 25. In June 2025 this amount was reprogrammed to FY 26 to provide lacking matching funds for the runway rehabilitation project. The Kosrae Campus has constructed a security fence that is within the limits of construction of this project. Some small sections of fence will have to be removed to accommodate the new project.

4.12 USACE Site Inspection for Kosrae Hospital Rehabilitation Project

Grant Award Number: D19AF00045-00

Grant Amount: \$2,220,500

Account Number: A3-70-70-14-19800-19-8310

Original Grant Expiration Date: 9/30/2023

Current Grant Expiration Date: 9/30/2026

Contractor: USACE

USACE Contract No: FSM (K) 25-002

Kosrae State Contract No: C171669

Original Contract Amount: \$1,108,000

Project Start Date: May 27, 2025

Original Contract Completion Date: 12/31/2027

Percent Complete: 34%

The purpose of this Work Agreement is to provide the services of an on site construction inspector to support USACE construction manager, Mr. Mark Lees. Site inspector Mr. Eric Escano continues to provide inspection and quality assurance services for the project on a full time basis. Fund status as of 6/3/2026 is \$910.50.

4.13 Kosrae Hospital Quarantine Facility Repair and Maintenance FY 25 IMF

Grant Award Number: D24AF00349-00

Grant Amount: \$1,067,220
Account Number: A1-18-80-81-92093-25
Original Grant Expiration Date: 9/30/2026
Current Grant Expiration Date: 9/30/2026
Contractor: VCS Construction and Supplies
Contract No: C250676
Original Contract Amount: \$49,554.00
Project Start Date: October 1, 2025
Original Contract Completion Date: May 29, 2026
Substantial Completion date: May 14, 2026
Percent Complete: 98%

The project is substantially complete. Accounting of minor work added and deleted needs to be completed in order to close the contract.

4.14 Kosrae Road Repair Tafunsak Town and Tofol to Utwe FY 25 IMF

Grant Award Number: D24AF00349-00
Grant Amount: \$1,067,220
Account Number: A1-18-80-81-92093-25
Original Grant Expiration Date: 9/30/2026
Current Grant Expiration Date: 9/30/2026
Contractor: VCS Construction and Supplies
Contract No: C250676
Original Contract Amount: \$480,506.00
Project Start Date: October 1, 2025
Original Contract Completion Date: May 29, 2026
Substantial Completion date: March 18, 2026
Percent Complete: 100%

VCS completed punchlist work on June 10, 2026

4.15 Kosrae Road Sealing from Main Road to Court House FY 25 IMF

Grant Award Number: D24AF00349-00
Grant Amount: \$1,067,220
Account Number: A1-18-80-81-92093-25
Original Grant Expiration Date: 9/30/2026
Current Grant Expiration Date: 9/30/2026
Contractor: VCS Construction and Supplies
Contract No: C250687
Original Contract Amount: \$246,026.44
Project Start Date: October 1, 2025
Original Contract Completion Date: May 29, 2026
Substantial Completion Date: March 18, 2026
Percent Complete: 100%

All sealing work is completed.

4.16 Kosrae Utwe Water System Repairs FY 24 IMF

Grant Award Number: D24AF00349-00

Grant Amount: \$1,067,220

Account Number: A1-18-80-81-92093-24

Original Grant Expiration Date: 9/30/2026

Current Grant Expiration Date: 9/30/2026

Contractor: VCS Construction and Supplies

Contract No: C250687

Original Contract Amount: \$159,285.00

Project Start Date: October 1, 2025

Original Contract Completion Date: May 29, 2026

Percent Complete: 0%

VCS has requested that all work in Sections 3-6 be marked or located on the ground for their reference. Nobody at DT&I nor KUA know the details of Sections 3-6, particularly where to mark them on the ground. Neither DT&I nor KUA have the materials listed in the contract to be provided by the government. It may be necessary to terminate this contract for convenience until so that the scope and material issues can be better defined and the project be rebid. No work has been done under this contract to date. PMO has inspected some of the areas where work is identified in the BOQ. PMO has also researched specifications to be added to the contract. In the coming quarter we will provide final specs to VCS and request pricing.

4.17 Kosrae Hospital Existing Operating Rooms Ceiling Replacement

Grant Award Number: D24AF00349-00

Grant Amount: \$1,067,220

Account Number: A1-18-80-81-92093-24

Original Grant Expiration Date: 9/30/2026

Current Grant Expiration Date: 9/30/2026

Contractor: VCS Construction and Supplies

Original Contract Amount: \$6,061.00

Project Start Date: December 15, 2025

Original Contract Completion Date: June 13, 2026

Substantial Completion Date: February 11, 2026

Percent Complete: 100%

The project is completed. DOHS will implement additional scope on their own. The two operating rooms are back in service now.

4.18 Okat Water Well Rehab

This project was bid out in May. One bid was received but was not responsive so the project is being rebid.

4.19 IMF Backlog

4.181 Hospital O&M Plan

Fiscal Year: 2024

Budgeted Amount: \$150,000.00

Requested support from USACE for guidance on how to initiate. No response to date. Perhaps the construction project needs to progress further before we can begin. A facility maintenance manager is being funded in FY27. Once on board this person will be responsible for the O&M plan.

4.182 Hospital Well Pump and Water Main

Fiscal Year: 2024

Budgeted Amount: \$50,000.00

DT&I submitted scope, drawings and BOQ to PMU on third week of July. An on line meeting was held to resolve scope questions.

4.183 State Admin Building Repair 1

Fiscal Year: 2024

Budgeted Amount: \$150,000.00

Small repairs to Admin Building. DT&I has prepared scope, drawings and BOQ. This project is being combined with No 4.191 below.

4.184 DREA Building Roof Repairs

Fiscal Year: 2024

Budgeted Amount: \$100,000.00

PMO to inspect, prepare scope of work and BOQ.

4.185 Airport Fire Station Building Painting

Fiscal Year: 2024

Budgeted Amount: \$100,000.00

PMO to inspect, prepare scope of work, specifications, and BOQ

4.186 Airport Runway Repairs

Fiscal Year: 2024

Budgeted Amount: \$100,000.00

PMO to inspect, prepare scope of work, specifications, and BOQ

4.187 Lelu-Tofol Water System Deak Detection and Repairs

Fiscal Year: 2024

Budgeted Amount: \$25,000.00

DT&I to prepare scope of work and BOQ.

4.188 Tofol Oxidation Ponds Excavation

Fiscal Year: 2024

Budgeted Amount: \$2,000.00

DT&I preparing scope of work and BOQ.

4.189 Okat Well Rehab

Fiscal Year: 2024

Budgeted Amount: \$75,000.00

DT&I to update scope and BOQ from previous project.

4.190 Elementary School Repairs

Fiscal Year: 2024

Budgeted Amount: \$325,000.00

PMO preparing scope of work, specifications and BOQ

4.191 State Admin Building Atrium Conference Room and Small Repairs

Fiscal Year: 2025

Budgeted Amount: \$325,000.00

DT&I preparing scope of work, specifications, drawings and BOQ.

4.192 Road Maintenance

Fiscal Year: 2026

Budgeted Amount: \$742,958.00

Purchase of asphalt for road repair. DT&I has submitted BOQ and scope of work to PMU.

4.193 Mutunte Water System Repairs

Fiscal Year: 2026

Budgeted Amount: \$80,000.00

Scope and BOQ complete. PMO to provide drawings and specifications

4.194 Hospital Medical Waste Incinerator Repairs

Fiscal Year: 2026

Budgeted Amount: \$30,000.00

Scope and BOQ complete. Ready to submit for bidding.

4.194 Hospital Oxygen Generator Maintenance

Fiscal Year: 2026

Budgeted Amount: \$60,000.00

Scope and BOQ complete. Ready to submit for bidding.

Prepared by Bruce Howell, July , 2026

A handwritten signature in blue ink that reads "Bruce Howell". The signature is written in a cursive style with a large, looped "H" and a long, sweeping underline.