

INVITATION TO QUOTE

**FEDERATED STATES OF MICRONESIA
SUBMARINE CABLE PROJECT**

Technical Pacific Regional Program 2: FSM Connectivity Project
Project No. P130592

Shopping

For

**PROVISION OF TELECOM INFRASTRUCTURE
FACILITIES FOR FSM
(CHUUK)**

**SUPPORTING THE CHUUK – POHNPEI SUBMARINE
TELECOM CABLE SYSTEMS**

Contract Ref No: FSM3

Dated: April 2018

INVITATION TO QUOTE (ITQ)

PROVISIONING OF TELECOM INFRASTRUCTURE FACILITIES FOR FSM

Source of Funding: Grant Funds from International Development Association

Date of Issue of Invitation: 23 April 2018

To: Bidder

Dear Contractor,

1. The Government of Federated States of Micronesia has received a Grant from the World Bank and intends to apply the proceeds of this grant to eligible payments under the contracts for which this Invitation to Quote is issued.

The Federated States of Micronesia Telecommunications Cable Corporation, FSMTCC, (“Employer”) hereby invites you to submit a quotation for one or more of the following works:

- a) Works #1: Planning, supply, construction, and provisioning of One (1) Cable Landing Station (CLS) in Chuuk, FSM in accordance with “Technical Specifications, Cable Landing Station, Chuuk, FSM, Chuuk – Pohnpei Submarine Cable System,” dated 27March2018, Rev F.

The works must be completed by 31 September 2018;

- b) Works #2: Planning, supply, and construction of One (1) Front Haul Duct System in Chuuk, FSM on the Employer selected route between the Beach Manhole (BMH) and the location of the Cable Landing Station (CLS) in accordance with “Technical Specifications - Fronthaul Duct Facilities for FSM on Chuuk”, dated 8April2018, Rev D.

The works must be completed by 30 August 2018;

- c) Works #3: Planning, supply, and construction of Coastal Erosion Mitigation Works protecting the Chuuk Beach Manhole in accordance with, “Technical Specifications - Beach Manhole Coastal Erosion Mitigation”, dated December 2017.

The works must be completed by 30 August 2018.

2. To assist you in the preparation of your price quotation we enclose the necessary specifications, bill of quantities, form for submitting the quotation and a draft contract form.

3. Bidders have the option to Bid for any one or more of the Works. Bids will be evaluated on a per Work basis, taking into account discounts offered, if any, for combined Works. The contract(s) will be awarded to the Bidder or Bidders offering the lowest evaluated cost to the Employer for combined Works, subject to the selected Bidder(s) meeting the required qualification criteria for Work or combination of Works as the case may be for which they were prequalified.

Bidders shall send Quotations **by email** to:

Jorge Cavero
FSM Procurement Specialist
Email: jorgecavero@ecytbolivia.com

Copy to:

Gerald Tourgee
FSM Connectivity Project Manager
Email: gtourgee@TourgeeConsulting.com

4. Potential Bidders must have experience in the construction of the specific work(s) on which they are bidding with a minimum of one project of a similar nature and complexity to those Works on which they are bidding over the past 5 years.

For Works #1, the construction and provisioning of the Cable Landing Station, the potential Contractor shall demonstrate experience in the construction of a high quality facility of similar size and complexity.

For Works #2, the construction and provisioning of Fronthaul Duct System, the potential Contractor shall demonstrate familiarity and experience in the laying and connection of PVC Duct Work, Manholes and Handholes, and reinforcement and pouring of concrete.

For Works #3, the construction of Coastal Mitigation Works, the potential Contractor shall demonstrate experience with the movement and placement of large concrete blocks, earthmoving, backfill, and concrete pours.

In addition, the Bidder shall demonstrate that it has access to, or has available, liquid assets, and lines of credit sufficient financial resources necessary to successfully complete the works.

- a. Works 1: \$225,000
- b. Works 2: \$332,000
- c. Works 3: \$190,000

To demonstrate the financial resource the bidder shall present the following documents:

- a. For liquid assets the last financial statements (audited if the local law mandates it).
- b. For available resources or lines of credit a letter from a Bank.

5. Each Bidder shall submit only one quotation, either individually, or as a partner in a joint venture for each Works. All quotations submitted in violation of this rule shall be

rejected. Partners in a joint venture shall be jointly and severally liable for the execution of the contract. In the case of a joint venture the lead partner should demonstrate work experience under paragraph 3 above. Financial resources of all the partners in the joint venture will be combined to determine adequacy of resources.

6. In evaluating the quotations, the Employer will determine for each proposal an assessment whether it is substantially compliant and the evaluated price after adjusting the price quotation for any omissions and by making any correction for any arithmetical errors as follows:
 - a) where there is a discrepancy between amounts in figures and in words, the amount in words will govern;
 - b) where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern;
 - c) if a Contractor refuses to accept the correction, his quotation will be rejected.
 7. The Bidders quotation shall be valid for a period of ninety (90) days from the date of the deadline for submission of the quotation.
 8. Bidders' quotation in English language shall be based on the unit and total price indicated in the Bill of Quantities for a fixed unit rate contract. Currency of quoted prices and payment shall be US Dollars. The quotation shall include all duties, local taxes and other levies payable by the contractor in accordance with the local laws.
 9. The Employer will award the contract to the Bidder whose quotation has been determined to be substantially responsive to this invitation to quote and who has offered the lowest evaluated price quotation and is qualified to do the work. The evaluation will be done by work and will consider discounts given for combinations of works if any.
- A. The contract will be governed by the terms and conditions of the attached draft Contract.
- B. Inspections and Audits
- a) The Contractor shall carry out all instructions of the Project Manager, which comply with the applicable laws where the Site is located.
 - b) The Contractor shall permit, and shall cause its Sub-Contractor to permit, the Bank and/or persons or auditors appointed by the Bank to inspect and/or audit its accounts and records and other documents relating to the submission of the Quotation to provide the Services and performance of the Contract. Any failure to comply with this obligation may constitute a prohibited practice subject to contract termination and/or the imposition of sanctions by the Bank (including without limitations determination of ineligibility) in accordance with prevailing Bank's sanctions procedures.
- C. Your quotation must be submitted to the FSM Technical Project Manger and the Project Coordinator by 11AM, 18 May 2018 local time (FSM Pohnpei is GMT+11).

Sincerely,

Jorge Cavero
FSM Connectivity Project
Procurement Specialist
Email: jorgecavero@ecytbolivia.com

Section 1 – Technical Specifications

The Technical Specifications for those works which Employer is seeking bids are referenced in this Section, but provided as separate documents.

- a) Works #1: The construction, and provisioning of One (1) Cable Landing Station (CLS) in Chuuk, FSM in accordance with “Technical Specifications, Cable Landing Station, Chuuk, FSM, Chuuk – Pohnpei Submarine Cable System,” dated 27March2018, Rev F”
- b) Works #2: The construction of One (1) Front Haul Duct System in Chuuk, FSM on the Employer selected route between the Beach Manhole (BMH) and the location of the Cable Landing Station (CLS) in accordance with “Technical Specifications - Fronthaul Duct Facilities for FSM on Chuuk”, dated 8April2018, Rev D.
- c) Works #3: The construction of Coastal Erosion Mitigation Works protecting the Chuuk Beach Manhole in accordance with, ““Technical Specifications, Cable Landing Station, Chuuk, FSM, Chuuk – Pohnpei Submarine Cable System,” dated 27March2018, Rev F.

Section 2 –Priced Activity Schedules

WORKS #1: CABLE LANDING STATION IN CHUUK, FSM

SUMMARY BILL OF QUANTITIES					
No.	Description of Goods	Unit	Quantity	Unit Price	Total Price USD
01	Newly Constructed or Pre-Fabricated Modular Building	Bldg	1		
02	Building Foundation	Piece	1		
03	Cable Vault	Piece	1		
04	Air Conditioning System – 4 Split Unit HVAC	Unit	4		
05	Anti-Static Flooring	Unit	1		
06	Power – Main Distribution Boards	Unit	2		
07	Electrical circuit provisioning for Lighting and General Power	System	1		
08	Earthing – Lightning Protection	System	1		
09	Earthing – Facility Ground	System	1		
10	Electrical Lighting and General Power	System	1		
11	Recommended Spares & Tools	Set	1		
12	Duct Conduit	Meters	2x 100		
13	Pre-Cast Concrete Blocks: .46m Wide x 50mm thick x L	Meters	100		
14	Handholes	Piece	1		
15	Manholes	Piece	1		
16	Draw Rope	Meters	2x 100		
17	Conduit Caps	Piece	12		
18	Warning Tape	Meters	2x 100		
19	Trench Fill Material .46m Wide x .97m Deep x 100m	Cu Mtrs	50		
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Total Price					
VAT %					
Grand Total including VAT – USD					

WORKS #2: FRONTHAUL DUCT IN CHUUK, FSM

SUMMARY BILL OF QUANTITIES					
No.	Description of Goods	Unit	Quantity	Unit Price	Total Price USD
01	Duct Conduit	Meters	2400		
02	Concrete (Pour over PVC Duct) .46m x.46m x 1200m	m ³	260		
03	Pre-Cast Concrete Blocks: .46m Wide x 50mm thick x L	Meters	100		
04	Handholes	Piece	7		
06	Draw Rope	Meters	2400		
07	Conduit Caps	Piece	30		
08	Warning Tape	Meters	1200		
09	Trench Fill Material .46m Wide x .97m Deep x 100m	Cu Mtrs	50		
Total Price					
VAT %					
Grand Total including VAT – USD					

WORKS #3: COASTAL EROSION MITIGATION WORKS IN CHUUK

SUMMARY BILL OF QUANTITIES					
No.	Description of Goods	Unit	Quantity	Unit Price	Total Price USD
01	Armour Rocks (1m rock size)	Unit	60		
02	Geotextile Cloth	m ²	150		
03	Reclaimed Concrete Blocks*	unit	175	\$0.00	
04	Transport and Placement of Concrete Blocks	Unit	175		
05	Fill Rock (up to 0.25m rock size)	m ³	60		
06					
Total Price					
VAT %					
Grand Total including VAT – USD					

- Employer Supplied

In addition the quotation should contain the following documents:

1. A statement of compliance against the following Sections and Paragraphs of the Technical Specifications:

Section / Paragraph	Heading
2.0	Statement of Work
3.0	General Requirements
4.0	Specifications
5.0	Commissioning and Acceptance

2. A Plan of Work showing the timeline for manufacture, importation and/or installation;

Section 3 – Billing Schedules

The following Billing Schedules are offered by the Employer for each of the Works:

WORKS #1: CABLE LANDING STATION IN CHUUK, FSM

Billing Milestone #	Milestone	Percentage of Contract
1	Advance Payment - Bank guarantee	15%
2	Completion of Planning and Permits	10%
3	Cable Landing Station Building Progress Payment: Structural, HVAC, and General Electrical & Lighting Distribution Installed	30%
4	Cable Landing Station Building Progress Payment: Specialized Systems- Fire Detection and Suppression, Building Management Systems, Security, DC Power Plant, UPS Installed	30%
5	Cable Landing Station Building Progress Payment: Acceptance Inspection and Testing of CLS and Systems	10%
6	Final Payment Clearance of All Deficiencies	5%
		100%

WORKS #2 FRONTHAUL DUCT IN CHUUK, FSM

Billing Milestone #	Milestone	Percentage of Contract
1	Advance Payment - Bank guarantee	15%
2	Completion of Planning and Permits	5%
3	Fronthaul Construction Payment: Completion of 50% of the Fronthaul Distance	30%
4	Fronthaul Construction Payment: Completion of 50% of the Fronthaul Route	30%
5	Fronthaul Construction (Yap or Chuuk) Payment:	

	Acceptance Inspection and Testing of the Fronthaul Route	15%
6	Final Payment Clearance of All Deficiencies	5%
		100%

WORKS #3: COASTAL EROSION MITIGATION WORKS

Billing Milestone #	Milestone	Percentage of Contract
1	Advance Payment - Bank guarantee	15%
2	Completion of Planning, Drawings, and Permits	10%
3	Shore Preparation, Installation of Geotextile Sheeting, and Rockfill	20%
4	Installation of Near Shore and Transition Section of Reclaimed Concrete Blocks	25%
5	Installation of Seaward Section of Reclaimed Concrete Blocks Acceptance Site Inspection	25%
6	Final Payment Clearance of All Deficiencies	5%
		100%

Form of Contract Shopping For Works

Name of Country: Federated States of Micronesia

Project Name: FSM TELECOMMUNICATIONS & ICT TECHNICAL ASSISTANCE PROJECT

Name of Contract: [INSERT CONTRACT NAME]

Contract Reference Number: [INSERT CONTRACT REFERENCE NUMBER (either FSM 2 or 3)]

This Contract is made this _____ day of (insert month in words) _____ (insert year) _____ between Federated States of Micronesia Telecommunications Cable Corporation on the one part (hereinafter called the Employer) and insert the legal name of the bidder) _____ (hereinafter called the Contractor) on the other part.

Contract Documents

The following documents shall constitute the Contract between the Employer and the Contractor, and each shall be read and construed as an integral part of the Contract:

1. Contract,
2. Contract Annexes
 - a. Annex 1: Technical Specification(s)
 - b. Annex 2: Contractor's Proposal Letter, dated _____,
 - c. Annex 3: Contractor's Pricing Schedule, dated _____,
 - d. Annex 4: Contractor's Estimated Construction Progress Schedule, dated _____, and
 - e. Annex 5: Contractor's Drawings, dated _____,
 - f. Annex 6: Contractor's Statement of Compliance
3. Other relevant documents

In the event that there is a discrepancy between these documents, the Engineer-in- Charge, shall make the final decision as to which document takes precedence for the specific discrepancy identified.

Whereas the Employer has called for quotations for [INSERT DESCRIPTION OF THE WORKS], and the Contractor has submitted a quotation for the above work and the Employer has accepted the Contractor's Quotation dated Day/Month/ Year _____ for the execution and completion of such works and the remedying of any defects therein.

Now this Contract witnesses as follows:

1. The Contractor hereby covenants to execute the works fully detailed in the Pricing Schedule included in the Contractor's Pricing Schedule and in accordance with the Technical Specifications for the work in a professional workmanship manner in accordance with the following Conditions of Contract:

- (a) Remedy all defects within 30 days of notification by the Engineer-in- Charge during the period of execution of the contract and thereafter defects notified within the defect liability period.
- (b) The Employer reserves the right to terminate the contract with at least ten (10) working days prior written notice to the Contractor due to unsatisfactory performance, where unsatisfactory performance is defined to mean:
 - 1. Failure to remedy defects in accordance with Section 1, Paragraph (a), or
 - 2. Failure to perform at a pace sufficient to meet the agreed upon delivery schedule as defined in Section 1, Paragraph (g).
- (c) Either party may terminate the Contract by giving 30 days' notice to the other, if the Contract is frustrated by the outbreak of war or by any other event entirely outside the control of either the Employer or the Contractor subject to certification by the Engineer-in-Charge that the contract has been frustrated. In such case, the payments of all materials previously procured and delivered to the site by the Contractor including completed or partially completed works will be made to the date of termination of contract.
- (d) All material, temporary works, and Works shall be deemed to be the property of the Employer if the contract is terminated due to fault of the Contractor.
- (e) The Contractor will in all cases abide by the directions of the Engineer-in-Charge.
- (f) The Contractor shall submit to the Engineer-in-Charge, a program within 10 days after signing the contract describing general methods and schedule to complete the works.
- (g) Contract completion by **TBD**. The Contractor shall notify the Engineer-in-Charge of any adverse changes (delays) to the Construction Progress Schedule which may occur during the execution of this contract.
- (h) In case of variations to the design of the works unit rates under the contract will be used to support the variation order. New items of work performed as ordered by the Engineer-in-Charge will be paid at the mutually agreed rate.
- (i) The Law governing the contract shall be applicable laws of Federated States of Micronesia.
- (j) The Contractor shall be responsible for the safety of all the activities on the Site.
- (k) During execution of works the Engineer-in-Charge will carry out inspection of works at site to verify that works are executed by the Contractor in accordance with the specifications and required quality as per specifications. Engineer-in-Charge will reject works not performed to the required specifications and the Contractor shall take immediate actions to rectify all defects in accordance with subparagraph (a) above.
- (l) The Contractor is responsible for all taxes, duties, levies, customs, etc. in accordance with the laws of Federated States of Micronesia.

(m) The disputes between the Employer and the Contractor arising between them under or in connection the Contract shall be resolved amicably. In the event the dispute remains unresolved either party may refer the dispute to the Supreme Court of the Federated States of Micronesia.

2. In consideration thereof the Employer covenants to pay the Contractor the **Contract Price** of _____ (in words and figures) in accordance with the following Billing Milestone Schedule:

Applicable Billing Milestone Schedule To Be Selected

**BILLING MILESTONE SCHEDULE
FOR
WORKS #1: CABLE LANDING STATION IN CHUUK, FSM**

Billing Milestone #	Milestone	Percentage of Contract
1	Advance - Bank guarantee	15%
2	Completion of Planning and Permits	10%
3	Cable Landing Station Building Progress Payment: Structural, HVAC, and General Electrical & Lighting Distribution Installed	30%
4	Cable Landing Station Building Progress Payment: Specialized Systems- Fire Detection and Suppression, Building Management Systems, Security, DC Power Plant, UPS Installed	30%
5	Cable Landing Station Building Progress Payment: Acceptance Inspection and Testing of CLS and Systems	10%
6	Final Payment Clearance of All Deficiencies	5%
		100%

**BILLING MILESTONE SCHEDULE
FOR
WORKS #2 FRONTHAUL DUCT IN CHUUK, FSM**

Billing Milestone #	Milestone	Percentage of Contract
1	Advance - Bank guarantee	15%
2	Completion of Planning and Permits	5%
3	Fronthaul Construction Payment:	

	Completion of 50% of the Fronthaul Distance	30%
4	Fronthaul Construction Payment: Completion of 50% of the Fronthaul Route	30%
5	Fronthaul Construction (Yap or Chuuk) Payment: Acceptance Inspection and Testing of the Fronthaul Route	15%
6	Final Payment Clearance of All Deficiencies	5%
		100%

**BILLING MILESTONE SCHEDULE
FOR
WORKS #3: COASTAL EROSION MITIGATION WORKS**

Billing Milestone #	Milestone	Percentage of Contract
1	Advance - Bank guarantee	15%
2	Completion of Planning, Drawings, and Permits	10%
3	Shore Preparation, Installation of Geotextile Sheeting, and Rockfill	20%
4	Installation of Near Shore and Transition Section of Reclaimed Concrete Blocks	25%
5	Installation of Seaward Section of Reclaimed Concrete Blocks Acceptance Site Inspection	25%
6	Final Payment Clearance of All Deficiencies	5%
		100%

3.

- (a) An advance payment of 15 percent of the Contract sum will be paid upon the submission of an Advance Payment Bank Guarantee in the same amount and currency. Or as an alternative to Bank Guarantee the payment of 15 percent of the Contract sum will be paid upon the Contractor bringing at the work site the following items and Engineer-in-Charge certifying it:
1. At least one half of all materials to be incorporated in the works or all materials to be consumed within three months whichever is less, and
 2. All equipment required for construction.
- (b) Four subsequent in progress instalment payments will be made in accordance with the Billing Milestone Schedules (a. and b. above). The Contractor shall invoice

the Employer at the time the Billing Milestones is completed and verified by the Engineer-in-Charge. Each billing milestone payment will be due for payment within 21 days of submission of invoice when the agreed billing milestones are achieved;

- (c) The final billing milestone payment of 5 percent of the contract amount shall be retained and made at the end of the liability period. Advance payment Bank Guarantee shall be released when the total payments due to the contractor reach 95% of the contract amount;
- (d) Final contract value will be a fixed price contract with payments based on the project milestones achieved;
- (e) The **defect liability period** will be 12 months after taking over of completed works by the Employer.

3. Inspections and Audits

- 3.1 The Contractor shall carry out all instructions of the Engineer-in-Charge which comply with the applicable laws where the Site is located.
- 3.2 The Contractor shall permit, and shall cause its Sub-Contractor to permit, the Bank and/or persons or auditors appointed by the Bank to inspect and/or audit its accounts and records and other documents relating to the submission of the Quotation to provide the Services and performance of the Contract. Any failure to comply with this obligation may constitute a prohibited practice subject to contract termination and/or the imposition of sanctions by the Bank (including without limitation s determination of ineligibility) in accordance with prevailing Bank's sanctions procedures.

4. Termination.

The Employer may terminate this Contract with at least ten (10) working days prior written notice to the Contractor after the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause:

- (a) If the Contractor does not remedy a failure in the performance of its obligations under the Contract within fifteen (15) working days after being notified, or within any further period as the Employer may have subsequently approved in writing;
- (b) If the Contractor becomes insolvent or bankrupt;
- (c) If the Contractor, in the judgment of the Employer or the Bank, has engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices (as defined in the prevailing Bank's sanctions procedures) in competing for or in performing the Contract.
- (d) If the Employer, by notice sent to the Contractor, may terminate the Contract, in whole or part, at any time for its convenience. The notice of termination shall specify that the termination is for the Employer's convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon

which such termination becomes effective. The Works that are completed and ready within fifteen (15) days after the Contractor's receipt of notice of termination shall be accepted by the Employer at the Contract terms and prices. For the remaining Works, the Employer may elect to cancel the remainder and pay to the Contractor an agreed amount for completed or partially completed Works and related Services and for materials and parts previously procured and delivered to the site by the Contractor.

5. Fraud and Corruption

If the Purchaser determines that the Contractor and/or any of its personnel, or its agents, or its Subcontractors, consultants, service providers, suppliers and/or their employees has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices (as defined in the prevailing Bank's sanctions procedures), in competing for or in executing the Contract, then the Purchaser may, after giving 14 days' notice to the Supplier, terminate the Supplier's employment under the Contract and cancel the contract, and the provisions of Clause 4 shall apply as if such expulsion had been made under Sub-Clause 4.a.

In witness whereof the parties thereto have caused this Contract to be executed the day and year first before written.

<p>_____</p> <p>Signature (on behalf of the Employer)</p> <p>In the presence of:</p> <p>_____</p> <p>(Signature) Name and designation (Witness)</p>	<p>Name of the Contractor</p> <p>_____</p> <p>_____</p> <p>Signature on behalf of Contractor</p> <p>In the presence of:</p> <p>_____</p> <p>(Signature) Name and Address (Witness)</p>
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Form Of Quotation Shopping For Works

_____ (Date)

To:

Jorge Cavero
FSM Procurement Specialist
Email: jorgecavero@ecytbolivia.com

Copy to:

FSM Technical Project Manager
Gerald Tourgee
Tourgee Consulting LLC
gtourgee@tourgeeconsulting.com

We offer to execute the Contract Reference No. [INSERT CONTRACT REFERENCE NUMBER] for [INSERT DESCRIPTION OF WORKS] in accordance with the Conditions of Contract accompanying this Quotation for the Contract Price of _____ (amount in words and numbers) (_____) (name of currency) _____. We propose to complete the Works described in the Contract within a period of [EMPLOYER TO INSERT PERIOD] calendar days from the Date of Signing of the Contract.

This Quotation and your written acceptance will constitute a binding Contract between us. We understand that you are not bound to accept the lowest or any Quotation you receive.

We hereby confirm that this Quotation complies with the Validity of the Quotation required by the Request for Quotation.

Authorized Signature: _____
Name and Title of Signatory _____

Name of Contractor: _____
Address: _____

Phone Number: _____
Fax Number, if any: _____