



**DEPARTMENT OF THE INTERIOR
OFFICE OF INSULAR AFFAIRS
NOTIFICATION OF GRANT AWARD**

Awarded to: Government of the Federated States of Micronesia
Purpose: Infrastructure Sector Grant
Authority: Public Law 108-188
Amount: \$ 9,250,000 – Architecture, Engineering and Design/Preliminary Engineering
Award Name: FSM Infrastructure Sector Grant –Fiscal Year 2010 – AED/PE
Award Year: 2010
Award No.: 2010 – COFA – FSM – Infrastructure – AED/PE
CFDA No.: 15.875
R&D: No
Subject to: This grant is offered subject to the terms, conditions, procedures, and requirements set forth in the text of Compact of Free Association, as amended (Public Law 108-188), and its related agreements as ratified by the Government of the United States of America and the Government of the Federated States of Micronesia; and "Grant Terms and Conditions" attached hereto.; and special "Grant Terms and Conditions", attached hereto.

Offer and Acceptance: This grant assistance is offered by the undersigned as an authorized official of the Department of the Interior, in accordance with department regulations and guidelines. Acceptance of this award signifies agreement and certification to abide by all terms and conditions enumerated herein; and applicable Federal laws and regulations related to the use of Federal grant funds.

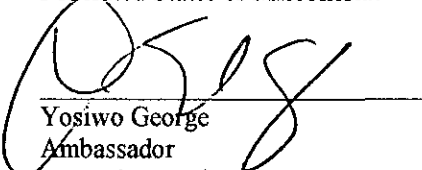
For the Department of the Interior,
United States Government:



Anthony M. Babauta
Assistant Secretary
for Insular Areas

11/12/09
Date

For the Government of the
Federated States of Micronesia:



Yosiwo George
Ambassador

11/30/09
Date

GRANT TERMS AND CONDITIONS

1. Compliance with laws, regulations and requirements

- (a) The Government of the Federated States of Micronesia (FSM) and any of its sub-grantees are responsible for compliance with all laws, regulations and requirements governing the use of grant funds awarded under the Compact of Free Association, as amended, and its related agreements (with particular attention to the "Agreement Concerning Procedures for the Implementation of United States Economic Assistance Provided in the Compact of Free Association, as amended, between the Government of the United States and the Government of the Federated States of Micronesia," also referred to as the Fiscal Procedures Agreement) as ratified by both Governments. In those instances in which the FSM or its sub-grantees do not believe they can comply, advance notification should be provided to the Office of Insular Affairs (OIA) identifying the problem areas, so that adequate remedies, including the provision of technical assistance, can be identified and implemented to correct the deficient areas.
- (b) Grant funds may only be used for allowable costs specifically and directly related to the purposes of the grant award.

2. Special Terms and Conditions

- 1) Grant funds may only be used for design, preparation of procurement tenders and development of preliminary engineering reports for projects specified in Attachment A.
- 2) Grant funds may only be used for survey work for Weno Road Phase 2. Upon certification by a professional engineer for the FSM PMU that 50% of the civil work for Weno Phase 1 has been completed, grant funds may then be used for design of Weno Road Phase 2.
- 3) The FSM Project management Unit shall utilize professional, third party, independent design services for review for new construction projects specified in Attachment A.

3. Payment of Funds

All requests for drawdowns and other payments shall be submitted to:

Stephen Savage
Office of Insular Affairs
Department of the Interior
733 Bishop St. Suite 2530
Honolulu, Hawaii 96813
Phone: 808-525-5088
Fax: 808-525-5399
Email: Stephen_Savage@ios.doi.gov

4. Reporting Requirements

- (a) The FSM shall provide OIA with quarterly financial status reports (Form SF-269), quarterly federal cash transaction reports (Form SF-272), and a final report upon completion of the Single Audit.

- (b) The FSM assures and certifies that it will comply with all applicable Federal laws, regulations, and requirements as they relate to the application, acceptance, and use of Federal funds in accordance with 43 CFR 12.

5. **Program and Grant Inquiries**

The FSM shall direct all program and grant inquiries to:

Stephen Savage
Office of Insular Affairs
Department of the Interior
733 Bishop Street Suite 2530
Honolulu, Hawaii 96813
Phone: 808-525-5088
Fax: 808-525-5399
Email: steve@uscompact.org
Stephen_Savage@ios.doi.gov

The U.S. shall direct all program and grant inquiries to:

Suzanne Lowe
Assistant Director
Office of SBOC
FSM National Government
P.O. Box PS 52
Palikir, Pohnpei, FM 96941
Phone: 691-320-6260
Fax: 691-320-2428
Email: slowe@sboe.fm

Attachment A

Development of Project Scope, Design, Construction Bid Package Preparation, and Tender of Construction Bid Packages

- 1) Early Childhood Education Classrooms – Pohnpei State
- 2) Yap High School Vocational Education Building – Yap State
- 3) PICS High School Library/Classroom Building – Pohnpei State
- 4) Yap High School Classroom Building – Yap State
- 5) Madolenihmw High School Library/Classroom Building – Pohnpei State
- 6) Nanpei Memorial High School Library/Classroom Building – Pohnpei State
- 7) Chuuk Campus –College of Micronesia Phase 1 – National Government
- 8) Chuuk Campus –College of Micronesia Phase 2 – National Government
- 9) National Campus –College of Micronesia Student Center – National Government
- 10) Pohnpei Campus – College of Micronesia Vocational Center/Classroom Building – Pohnpei State
- 11) Chuuk State Hospital Renovation – Chuuk State
- 12) Chuuk State Dispensaries – Chuuk State
- 13) Kosrae State Correctional Facility – Kosrae State
- 14) Primary Health Care/Dental Facility – Pohnpei State
- 15) Kosrae Campus College of Micronesia - Learning Resource Center – National Government
- 16) Weno Road Phase 2* – Chuuk State (see Special Terms and Conditions #2)
- 17) Tamilang Elementary School – Yap State
- 18) New Hospital – Kosrae State
- 19) Pohnpei State Campus College of Micronesia - Learning Resource Center – National Government

Preliminary Engineering Reports

- 1) Kinakapw to Lehn Diadi Water line – Pohnpei State
- 2) Sekere to Nanpei Memorial High School Water line – Pohnpei State
- 3) Lelu Water System – Kosrae State
- 4) Kolonia to Palikir Sewer System Expansion – Pohnpei State
- 5) Kolonia to U Sewer System Expansion – Pohnpei State
- 6) Three Bridges – Yap State
- 7) Closure and Relocation of Public Solid Waste Disposal Site – Pohnpei State
- 8) Emergency Generator - Pohnpei State Hospital – Pohnpei State

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

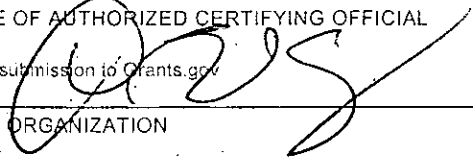
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

<p>* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</p> <p>Completed on submission to Grants.gov</p> 	<p>* TITLE</p> <p>Ambassador</p>
<p>* APPLICANT ORGANIZATION</p> <p>FSM Government</p>	<p>* DATE SUBMITTED</p> <p>11/30/09</p> <p>Completed on submission to Grants.gov</p>



EMBASSY OF THE
FEDERATED STATES OF MICRONESIA
WASHINGTON, D.C.

*Office of
the Ambassador*

November 30, 2009

The Honorable Anthony M. Babauta
Assistant Secretary for Insular Areas
US Department of the Interior
Washington DC 20240

Re: "Notification of Grant Awards" document for Fiscal Year 2010, Compact of Free Association Public Infrastructure Sector Grant funding

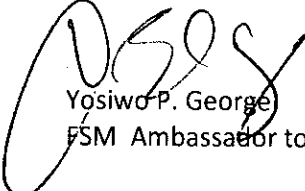
Dear Assistant Secretary Babauta:

It is with great pleasure that I acknowledge my receipt of your letter of November 12, 2009, transmitting the Notification of Grant Awards in the amount of \$ 9,250,000 for Infrastructure Sector Grant. The signed copy is hereby enclosed, signifying the acceptance by the Government of the Federated States of Micronesia of the above-referenced Public Infrastructure Grant Awards with terms and conditions as set forth.

On behalf of the Federated States of Micronesia, I wish to seize this opportunity to express again our sincere appreciation for the continued assistances and supports.

Many sincere thanks.

Respectfully,


Yosiwo P. George
FSM Ambassador to US

Enclosures

cc: Ms Sue Lowe, SBOC, FSM
Mr. Gabriel Ayin, Department of Foreign Affairs
DCM James Naich, FSM Embassy to US