

From: Arthur Albert (aalbert2002@yahoo.com)
To: Ansina Kony; Likiaksa Elesha; Henry Phillip; Henry Phillip; john bugulrow
Date: Friday, September 18, 2009 4:10:40 PM
Cc: Sanfio Sony; Paul Hadik; Joseph Villazon; Sr. Margaret Margou; Casiano Shoniber
Subject: Contracts in Excess of \$100,000

Dear Special Education Coordinators,

As a requirement of IDEA, Part B and EDGAR, it is the responsibility of each recipient of funds to ensure that, in addition to any State requirements, all contracts in excess of \$100,000 include provisions for the following standard language within each contract:

- a. For contracts in excess of \$100,000, administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and the provision of such sanctions and penalties as appropriate;
- b. For contracts in excess of \$100,000, termination for cause and for convenience by the Grantee or Sub-Grantee including the manner by which it will be effected and the basis for settlement; Compliance with local statutes regarding kickbacks and corrupt practices;
- c. Access by the Government of the Federated States of Micronesia and its Sub-Grantees, the Government of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to the contract for the purpose of making audit, examination, excerpts, and transcriptions;
- d. Retention of all required records for three years after Grantees or Sub-Grantees make final payments and all other pending matters are closed;
- e. Compliance with all applicable standards, orders, or requirements issued under local environmental laws.

Thank you for your attention and compliance to this issue. Please be informed that the FSM NDOE will include compliance with these provisions as part of the Annual Special Education Verification Monitoring visit.

I have attached Pohnpei State Contract Addendum provisions for your review and adoption.

If any additional information is needed in this matter, please contact me.

Sincerely,

Arthur F. Albert
Executive Director
Special Education Program
Department of Education
FSM National Government

Tel. (691) 320-8982/1055
Fax. (691) 320-5404

ADDENDUM

- **Compliance with Local Statutes regarding kickbacks and corrupt practices.**

“Compliance with Pohnpei Ethics Act of 2000. The State declares that this contract complies with the provision of the Pohnpei Ethics Act of 2000 (S.L. No. 5L-11-00), including the provisions of Sections 2-2, 2-6 and 2-7 relating to gifts, conflict of interest and contracts, respectively”.

- **Access to Contractor’s Records and Retention of Records**

“The Contractor shall give the State, the Government of the Federated States of Micronesia and the Government of the United the States, or any of their duly authorized representatives, access to and the right to examine all records, books, papers, or documents which are directly relevant to this contract for the purpose of making audit, examinations, excerpts and transcriptions. The Contractor shall retain all such records, books, papers, or documents for three years after the State make final payment and all other pending matters are closed.”

- **Compliance with applicable of Environment standards.**

“The Contractor shall comply with all standards, orders and requirements issued by the Pohnpei Environmental Protection Agency as it relates to the performance of this contract.”

Contractor: _____

Date: _____