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A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 5-16, 5-88, 5-119, 5-121 and 5-136, by amending sections 3 and 4 of Public Law No. 2-65, codified as sections 403 and 404 of title 55 of the Code of the Federated States of Micronesia, for the purpose of lowering the dollar value of government contracts required to be let by free and open competitive bidding, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Section 403 of title 55 of the Code of the Federated
2 States of Micronesia is hereby amended to read as follows:

3 "Section 403. Competitive bidding required. All contracts
4 for construction projects ~~involving \$20,000 or more~~ or
5 for the purchase of personal property involving ~~\$50,000~~
6 10,000 or more, made on behalf of any National Government
7 agency shall be let by free and open competitive bidding,
8 by sealed bids, to the lowest responsible bidder in
9 accordance with the provisions of this chapter."

10 Section 2. Section 404 of title 55 of the Code of the Federated
11 States of Micronesia is hereby amended to read as follows:

12 "Section 404. Citizen-bidder preference - Amount.

13 (1) Citizen bidders who qualify to bid under the
14 provisions of this chapter shall receive preference over
15 noncitizen bidders in determining the award of the contract.

16 (2) For the purpose of determining the preference
17 to be given to citizen bidders, the amount of the bid of
18 each citizen bidder shall be reduced according to the
19 following formula, and such reduction shall be used solely
20 for the purpose of determining the lowest responsible
21 bidder:

22 (a) for all contracts for construction projects
23 involving at least ~~\$20,000~~ 10,000, but less than \$500,000,
24 or for the purchase of personal property involving at least
25 ~~\$50,000~~ 10,000, but less than \$500,000, the amount of the

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1 bid of each citizen bidder shall be reduced by fifteen percent;

2 (b) for all contracts for construction projects involving
3 at least \$500,000, but less than \$1,500,000, or for the purchase
4 of personal property involving at least \$500,000, but less than
5 \$1,500,000, the amount of the bid of each citizen bidder shall
6 be reduced by ten percent;

7 (c) for all contracts for construction projects involving
8 at least \$1,500,000, but less than \$10,000,000, or for the
9 purchase of personal property involving at least \$1,500,000, but
10 less than \$10,000,000, the amount of the bid of each citizen
11 bidder shall be reduced by five percent; and

12 (d) there shall be no citizen bidder preference with
13 respect to contracts for construction projects involving
14 \$10,000,000 or more, or for the purchase of personal property
15 involving \$10,000,000 or more."

16 Section 3. This act shall become law upon approval by the
17 President of the Federated States of Micronesia or upon its becoming
18 law without such approval.

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20 Date: 5/29/89

Introduced by: Jack Fritz
Jack Fritz

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