

UJGO
KJUN

A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by amending sections 402, 403, 408 and 413 for the purpose of updating and expanding the applicability of the Public Contracts Act, and for other purposes.

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

1 Section 1. Section 402 of title 55 of the Code of the
2 Federated States of Micronesia is hereby amended to read as
3 follows:

4 "Section 402. Definitions. As used in this chapter:

5 (1) 'Citizen bidder' means:

6 (a) ~~until the termination of the Trusteeship,~~
7 ~~any business in which at least fifty-one percent of the~~
8 ~~interest therein is owned by a citizen or citizens of~~
9 ~~the Trust Territory of the Pacific Islands;~~

10 (ba) ~~upon termination of the Trusteeship,~~ any
11 business in which at least fifty-one percent of the
12 interest therein is owned by a citizen or citizens of
13 the Federated States of Micronesia;

14 (c) ~~until the termination of the Trusteeship,~~ a
15 ~~business which has been a resident of the Trust~~
16 ~~Territory of the Pacific Islands for at least one year~~
17 ~~immediately prior to the submission of its bid;~~

18 (db) ~~upon termination of the Trusteeship,~~ a
19 business which has been a resident of the Federated
20 States of Micronesia for at least one year immediately
21 prior to the submission of its bid; and

22 (ec) ~~upon termination of the Trusteeship,~~ a
23 business which has paid gross revenue taxes to the
24 Federated States of Micronesia for the one year period
25 immediately prior to the submission of its bid.

1 (2) 'Contracting officer' means the official in
2 charge of letting a contract *for a National Government*
3 *agency.*

4 (3) 'Lowest responsible bidder' means the lowest
5 bidder whose offer adequately responds in quality,
6 fitness, and capacity to the particular requirements of
7 the proposed work called for by the contract.

8 (4) 'National Government agency' means any branch/
9 department, office, division, board, bureau, commission,
10 committee, institution, or authority of the National
11 Government of the Federated States of Micronesia."

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

15 "Section 403. Competitive bidding required. All
16 contracts for construction projects involving \$20,000 or
17 more of National Government funds or for the purchase of
18 personal property involving \$50,000 or more of National
19 Government funds made on behalf of any National
20 Government agency shall be let by free and open
21 competitive bidding, by sealed bids, to the lowest
22 responsible bidder in accordance with the provisions of
23 this chapter."

24 Section 3. Section 408 of title 55 of the Code of the
25 Federated States of Micronesia is hereby amended to read as

1 follows:

2 "Section 408. Emergencies. In case of emergency
3 affecting public health, safety, or convenience so
4 declared in writing by the President upon application by
5 the contracting officer or his superior *Head of any*
6 *National Government agency* setting forth the nature of
7 the emergency and the danger to the public health,
8 safety, or convenience caused by delay, contracts may be
9 let to the extent necessary to meet the emergency
10 without public advertisement. Such action and the
11 reasons therefor shall immediately be made public by the
12 awarding authority."

13 Section 4. Section 413 of title 55 of the Code of the
14 Federated States of Micronesia is hereby amended to read as
15 follows:

16 "Section 413. Award to lowest responsible bidder. All
17 contracts shall be in writing and shall be executed by
18 the legal entity *National Government agency* which is
19 authorized to let contracts in its own name and shall be
20 made with the lowest responsible bidder. If the lowest
21 bid is rejected, the contracting officer may, at his
22 discretion, award the contract to the lowest remaining
23 responsible bidder or advertise anew for bids pursuant
24 to *section 412* of this chapter. In each instance the
25 officer, at his discretion, after determining the

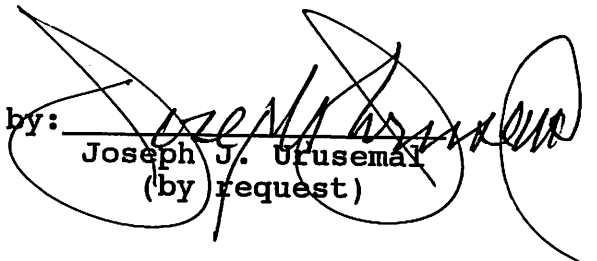
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1 lowest responsible bidder, may negotiate with that
2 bidder, and that bidder only, to reduce the scope of
3 work and to award the contract at a price which reflects
4 the reduction in the scope of work."

5 Section 5. This act shall become law upon approval by the
6 President of the Federated States of Micronesia or upon its
7 becoming law without such approval.

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9 Date: 5/30/94

Introduced by: 
Joseph J. Urusemal
(by request)

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