

# Majuro Chamber of Commerce

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## **Majuro Chamber of Commerce**

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### **Meeting Minutes**

Thursday, September 8, 2005

Marshall Islands Resort

Meeting called to order by President Carlos Dominick at 12:15 P.M. Over 30 members and guests in attendance.

- **Financial** - \$4,931 – Pay your dues!
- **Guests** – Ross Baud – BECA, Art – Airport Manager, Lee Smith- TDY
- **Presidential Report**
  1. Attended RMI – ADB private sector retreat and taxation retreat. Emailed final reports
  2. Emailed efforts on “Buckle-up” campaign MOE involving schools for logo and theme
  3. USS Boxer – writing letter showing our appreciation
  4. Government activities – setting up 2 new FM stations – BBC and other music. Public sector again encroaching on the private sector
  5. Meeting with Minister Capelle – new prison planned near Laura. Minister wants to hear constructive criticism
  6. Worked with handicraft association for access at airport
  7. Smuggling
  8. Mail? Where is it?
  9. Working on small business training – USDA small business commercial loans
- **Mail** - none

#### **Guest Speaker** – Tony Tomlinson – BECA

Presented powerpoint presentation on infrastructure development and maintenance plan.

Comprehensive assessment of education and health. Prepare expenditure program. Design and construct classrooms and health clinic. 78 elementary schools and 2 high schools. Gathered information at each place – conditions and estimates to fix. Collected other data also. Results showed that most assets are in very poor condition. Showed pictures of problems in outer islands. BECA also supervised bids and construction. Showed typical new classroom. Explained the bidding process. RMI preference – compromise made – preference is given if there are more than three bidders  
Question – Law says local bidders are given preferences, no reference to number of bidders. Is law being violated?

Who is on bid committee? – Chief Secretary, Secretary of Finance, Secretary of Health, Secretary of Education, Secretary of Public Works, chief engineer of Public Works

Bonding – 100% procurement bond requirement. When was it enacted? Don't know. Previously bond requirement was 10%. Provision allows for discretion not mandatory. BECA says they have to follow what the government says.

Is there discretion in the procurement code regarding the bond? Don't know

Whose discretion? Bid Committee

BECA – practice in other countries? – 100% in Europe and Asia

ADB bonding – 10%

Dispute as to who put this into effect. Government or BECA. BECA says government

Suggestion – have meeting with contractors, bid committee and BECA. Tony said come up with a proposal

Comment – local bidding preference very clear in the law. The bid committee is changing the law.

What else are they changing?

Discussion ensued regarding the airport job and the hiring of foreign workers

Performance bond remains for one year – now changed to 60 days

Change of law versus risk management

What is a local contractor? – 60 or 65% ownership

Can local preference be applied for joint ventures? It is left open for interpretation, not defined.

Secretary of Public Works decides if local or foreign

Retention on project – 10% per month – held up until completion. One-half returned upon substantial completion, other one-half held for one year or longer.

Prior – 100% returned on completion

Option – can put up retention bond

Need definition of mobilization – it is not an advance payment. No advances on these projects.

Payment to contractors must be on time per the Compact.

Initial payment of up to 10% allowed if performance bond in place

AG requires all taxes and duties paid. GRT deducted from payments

Alternative materials? – BECA says not favoring New Zealand materials. 60% probably are New Zealand materials because that is what they are familiar with. Requests for alternatives have been submitted and are awaiting for answers. Have approved alternatives

Paint suppliers in New Zealand will give RMI 5 – 7 year written guarantee.

Need performance specifications not brand name.

Since the time was getting late, no further reports were given. The chamber will meet again on Tuesday.

Meeting adjourned at 2:00 P.M.

Minutes prepared by:

Donald Hess

Approved \_\_\_\_\_

Approved with Corrections \_\_\_\_\_