

Palau FTTH Project - Subcontractor vs Contractor Eligibility Information

Details for Pre-Bid Meeting and FTTH Project

Summary of Project

PNCC has received an USDA RUS ReConnect grant to provide Fiber to the Home service. PNCC has hired MRL (Monte R. Lee and Company. Consulting Engineers) to design create plans and specifications and bid out the project for the Islands. MRL is soliciting bids from large scale contractors to complete the construction of the entire project under one contract. The pre-bid meeting will be held in Palau. Contractors bidding on the project will need assistance from many different types of local firms. This notice is to help contractors to determine the following:

- Understand the size of the project and help a contractor determine if they can meet the skill set and size requirement to bond, bid, coordinate, fund and operate a construction project of this size.
- If a contractor is not large enough to meet the general contractor requirement, then PNCC wants to give small contractors the opportunity to meet the potential prime contractors prior to the bid in an effort to team up and offer any service during the bid and construction phase of the project. In this effort PNCC's goal is to obtain a successful project and to generate revenue for local industry while developing unique skill set workers to use locally after the project to further PNCC goal for communication excellence.

Project Details

- **Total Construction:** 157.17 miles of buried fiber
- **Fiber Placement Breakdown:**
 - 18% by microtrenching in asphalt roads
 - 62% by microtrenching in concrete roads
 - 20% by plowing at the edge of the road
- **Buried Drops:** 8,978 drops, totaling 255.06 miles
- **Construction Timeline:** 310 days
- **Yard Locations:** 2–3 yards provided by PNCC for equipment and material storage
- **Staking Sheets:** Final adjustments in progress; draft copies will be sent for review

Requirements for Prime Contractor:

Technical Experience & Past Performance

- Proven track record of successfully delivering large-scale FTTH or similar telecom infrastructure projects as a lead or sole contractor.
- References or case studies demonstrating end-to-end FTTH delivery.

Bonding Requirements

- **Bid Bond:** 10% of the project cost
- **Construction Bond:** Must cover the entire project cost (estimated > \$10 million)
- **Submission Requirement:** Proof of bonding capability with a company on the August 2025-August 2026 Approved list of Sureties. See attached document in email for full list. Not all surety companies will bond a project outside of the United States or for companies with Headquarters outside of the United States. Below is a recommendation that we have been told will bond companies with Headquarters outside of the United States.
- For companies with Headquarters outside of the United States, it is our understanding that Pacific Indemnity Company can provide bonding for the project.
- Bonding company must be known before bid is opened on the bid opening date.

Insurance Requirements

Per CFR 1788, contractors must meet the following minimum insurance requirements. See full document attached in email.

- **Public Liability Insurance:**
 - Bodily injury or death: \$1 million per occurrence
 - Property damage: \$1 million per occurrence
 - Aggregate for accidents: \$1 million during the policy period
 - Single limit option: \$1 million for bodily injury and property damage
- **Automobile Liability Insurance:**
 - Bodily injury or death: \$1 million per person, \$1 million per occurrence
 - Property damage: \$1 million per occurrence

Qualified Personnel

A competent in-house team of engineers, project managers, fiber technicians, and safety officers.

- Enough personnel to complete 50% of the construction without subcontractors
- Availability of certified staff with relevant industry qualifications
- Proven project management capabilities
- Equipment and Tools

Construction Equipment Required

The following equipment is required for the project (non-exhaustive list):

- Microtrencher(s)
- Mainline cable plow(s)
- Drop plow(s)
- Directional boring machine(s)
- Missile boring equipment
- Core drilling equipment
- Backhoe(s)
- Dump truck(s)
- Hydrovac equipment
- Reinstatement equipment
- Fiber blowing equipment
- Fiber splicing equipment

Licensing & Certifications

- Business licenses appropriate for civil and telecom works
- Health, safety and environmental certifications

Legal and Regulatory Compliance

- Compliance with local telecom regulations and construction codes.
- No history of contract defaults, legal disputes, or blacklisting.

Project Planning and Documentation Capability

- Ability to prepare detailed project schedules, risk assessments, and quality plans.
- Proficiency in using project management tools
- Capability to handle documentation, reporting, as-builts, and GIS integration.

Supply Chain & Vendor Management

- Established relationships with suppliers of fiber optic cable, ducts, handholes, and other materials.
- Experience in procurement, logistics, and inventory management at a project scale.

Role of Subcontractor

Subcontractors play a critical role in executing field-level tasks under the direction of the prime contractor. Responsibilities may include:

- Fiber blowing, handhole or pedestal installation
- Cutting concrete or asphalt
- Reinstatement of concrete or asphalt
- Installing drops
- Splicing and testing fibers
- Microtrenching and plowing (depending on equipment access)
- Ensuring compliance with technical specifications and safety standards
- Splicing (portion of project)
- Clean up crews
- Traffic Control
- Fuel and maintenance of equipment
- Hauling materials
- Provide inventory yard

Subcontractors are expected to deliver high-quality work within specified timelines and budgets, coordinate closely with the prime contractor, and adhere to project documentation and reporting protocols.

Eligible Subcontractor Requirements:

Must fill out RUS form 282 subcontractor agreement with prime contractor.

Qualified Personnel

A competent in-house team of engineers, project managers, construction crews, fiber technicians, and safety officers.

- Availability of certified staff with relevant industry qualifications
- Proven project management capabilities
- Equipment and Tools

Construction Equipment

Any of the following equipment available for use during construction (non-exhaustive list):

- Microtrencher(s)
- Mainline cable plow(s)
- Drop plow(s)
- Directional boring machine(s)
- Missile boring equipment
- Core drilling equipment
- Backhoe(s)
- Dump truck(s)
- Hydrovac equipment
- Reinstatement equipment
- Fiber blowing equipment
- Fiber splicing equipment
- Load dump truck
- Skid Steer
- Loader

How to Participate in the Project:

- Subcontractor to contact PNCC or MRL to inform of subcontractor's intention to attend and present at the Pre-Bid meeting.
- PNCC Contact: Mr. Hefflin Bai - (680)775-9125 hbai@pnccpalau.com
- MRL Contact: Mr. Spencer Hayward, P.E. (405)842-2405 shayward@mrleng.com

Bid Date and Time

Date and Time: October 14, 2025, at 10:00 AM

All eligible subcontractors are required to attend the first part of the pre-bid meeting to introduce themselves to potential primecontractors. Introductions should include:

- Company name and representative
- Summary of past work and experience
- Number of personnel available for construction
- Leave contact material for prime contractors meet after the meeting to discuss company involvement in the overall project. After subcontractors' introduction session subs will be asked to leave the room.