



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Mr. William Matson
Federal Program Officer
Commonwealth of the Northern Mariana Islands
State Board of Education
Public School System
P.O. Box 1370 CK
Saipan, MP 96950

DEC 27 1999

Dear Mr. Matson:

This is in response to your letter dated June 23, 1999 requesting approval to use \$73,225.00 from Federal funds available to the Commonwealth of the Northern Mariana Islands (CNMI) under Part B of the Individuals with Disabilities Education Act (Part B), in order to purchase a school bus to meet the special needs of some students with disabilities. You stated in your letter that the bus will be purchased solely with Part B funds, and will be used exclusively to transport children who: (1) are eligible for services under the Part B program; (2) have individualized education programs that state that the children require special transportation; and (3) cannot ride in conventional buses because of physical impairments or behavioral issues. The bus will accommodate three students in wheelchairs and eight seated passengers.

During the review of your request to use \$73,225.00 to purchase a bus, you were asked to provide this Office with information about the reasonableness of the high cost of the bus. You responded that CNMI has full documentation on file as to the public announcements (newspaper articles) and replies. In addition, you responded that you have files about the findings of CNMI's procurement division regarding the potential purchase of this bus. You should retain these files in accordance with Federal requirements so that they are available for any future reviews. You also stated that since CNMI is very isolated, shipping costs are high on items such as buses, and this expense is included in the purchase price of the bus.

OMB Circular 87, Attachment A - General Principles for Determining allowable Costs, section C, item l(a) - Factors affecting allowability of costs, states that to be an allowable cost under Federal awards, the cost must "(b)e necessary and reasonable to: proper and efficient performance and administration of Federal awards.

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Under this authority, this Office determines that this purchase is allowable if the State Director of Special Education, whose office within the CNMI Public School System is responsible for administering the substantive requirements of the Part B program, approves the purchase of the bus described in this letter, and the requirements of Part B, the Federal cost principles in OMB Circular 87, and procurement requirements are met.

Sincerely,

Patricia J. Guard
Acting Director
Office of Special Education
Programs

cc: Mr. Franklin Perez