

(v) RUS Form 515g (Bulletin 345-154)—Specifications and Drawings for Service Entrance and Station Protector Installation.

(b) *Preparation of plans and specifications.* Each set of plans and specifications shall include:

(1) RUS Contract Form 515, "Telephone System Construction Contract (Labor and Materials)."

(2) The specifications described in paragraph (a)(2) of this section as specified by the borrower in the RUS Contract Form 515.

(3) Description of special assembly units and guide drawings, if any.

(4) Key, detail, and cable layout maps.

(5) RUS Contract Form 787, "Supplement A to Construction Contract, RUS Contract Form 515," when the borrower proposes to provide any materials to the contractor. The borrower shall not order materials for a contractor without RUS approval. In such cases the borrower must attach Form 787 and a "List of Owner's Materials on Hand" and/or a "List of Materials Ordered by Owner but Not Delivered" to contract Form 515 (See §1753.48(f) of this part). Any materials furnished under Supplement A shall be listed in RUS Bulletin 344-2 unless special RUS approval has been received by the borrower to use unlisted materials.

(c) *Submission of plans and specifications to RUS.* (1) If the project does not exceed \$500,000 or 25% of the loan, whichever is less, the borrower shall furnish GFR one set of P&S. The borrower may then proceed with procurement in accordance with §1753.48.

(2) If the project exceeds \$500,000 or 25% of the loan, whichever is less, RUS approval of P&S is required. Two sets of P&S shall be furnished to GFR. RUS will return one set to the borrower upon notice of approval. The borrower may then proceed with procurement in accordance with §1753.48.

[54 FR 39267, Sept. 25, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, 55 FR 53488, Dec. 31, 1990, as amended at 64 FR 16609, Apr. 6, 1999]

§ 1753.48 Procurement procedures.

(a) *Sealed competitive bidding*—(1) *Qualifying bidders.* (i) The borrower is responsible for selecting qualified con-

tractors to bid on the project. See §1753.8(a)(3). Questions relating to bidders' qualifications shall be resolved prior to the pre-bid conference.

(ii) RUS Form 274 or its equivalent, supplemented by RUS Form 276, shall be used for the submission of bidders' qualifications for all types of construction and for the required information on the bidder and subcontractors.

(2) *Invitations to bid*— The borrower shall solicit bids as set forth in §1753.8(a)(2). Invitations shall be sent to at least 6 prospective bidders.

(3) *Pre-bid conference.* (i) Representatives of the borrower and its engineer shall be present at the pre-bid conference at the time and place designated in the Notice to Bidders. The borrower shall invite the GFR to attend the pre-bid conference.

(ii) The purpose of the pre-bid conference is to acquaint the bidders with the scope and special considerations of the project and to clarify any concerns the bidders may have.

(iii) No proposals shall be considered from bidders that do not attend the pre-bid conference unless the bidder has been notified by the engineer that such bidder's attendance has been waived. Attendance can be waived if, in the judgment of the engineer, the bidder would gain no additional understanding of the construction project by attending the pre-bid conference.

(iv) The borrower shall obtain from the engineer the minutes of the pre-bid conference and shall distribute them to all potential bidders.

(v) When fewer than three bidders have been qualified to submit bids, RUS written approval must be obtained to proceed with requesting bids.

(4) *Bid openings.* (i) Bid openings and award of the contract shall be conducted in accordance with §§1753.5(b)(1) and 1753.8(a).

(ii) If §1753.8 requires RUS approval of award of the bid, the borrower shall submit to RUS two copies of the assembly unit sections of the apparent lowest responsive bid accepted by the borrower.

(b) *Negotiated procurement.* (1) Competitive bids are not required for outside plant construction that is estimated to cost \$250,000, or less, inclusive of labor and materials.

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(2) The procedures to be followed are contained in §1753.8(b) and paragraphs (3) and (4) of this section.

(3) *Negotiation conference.* (i) The borrower shall schedule a conference to be attended by representatives of the engineer, the borrower and the contractor selected for negotiations. The borrower shall invite the GFR to attend this conference.

(ii) The purpose of the negotiation conference is to acquaint the contractor with the scope and special considerations of the project and to answer any questions.

(iii) The borrower shall obtain from the engineer notes covering the negotiation conference and shall distribute them to all attendees.

(4) Two copies of the assembly unit sections of the negotiated contractor's proposal shall be sent to the GFR for approval.

(c) *Contract amendments.* The borrower shall prepare contract amendments in accordance with §1753.11 on RUS Contract Form 526, Construction Contract Amendment.

(d) *Subcontracts.* The RUS requirements for subcontracts and the procedures to be followed are set forth in §1753.9.

(e) *Preconstruction conference.* The borrower shall conduct a conference, attended by the borrower, contractor, subcontractors, resident engineer, and the GFR, prior to the beginning of cable placement, to resolve any questions pertaining to the construction. Results of the conference shall be provided to each conference participant (See §1753.10).

(f) *Owner-furnished materials.* When the borrower furnishes materials under RUS Contract Form 787, Supplement A to Construction Contract, these steps shall be followed:

(1) Materials on hand to be furnished by the borrower shall be released to the contractor at the start of construction. Materials on order but not received shall be provided to the contractor as they become available. The borrower shall obtain from the contractor a written receipt for all such materials delivered.

(2) Materials on hand, until released to the contractor, shall be covered by fire and either wind-storm or extended

coverage insurance, exclusive of materials stored in the open and not within 100 feet of any building. Poles, wherever stored, shall be covered by fire insurance. All insured values must be at least 80 percent of the cash value of the property insured.

(3) Subject to adjustment at the time of final settlement, the borrower shall obtain from the contractor monthly invoices that show credit to the borrower, at the prices quoted in Form 787, Supplement A, for all materials furnished by the borrower and installed by the contractor during the preceding month.

(4) Any materials furnished by the borrower remaining as surplus at the completion of construction shall be returned to the borrower. For such materials, the borrower shall furnish a written receipt to the contractor and credit the contractor at the prices quoted in Supplement A.

(g) *Changes or corrections in construction.* (1) When changes or corrections in construction are necessary, and the cost of such changes or corrections is properly chargeable to the borrower, the borrower shall have its engineer prepare and sign four copies of a Construction Change Order, RUS Form 216, obtain borrower's approval and forward the four copies to the contractor. Receipt of the executed Construction Change Order by the contractor will constitute authorization to proceed with the changes or corrections.

(2) When the changes or corrections have been made, the borrower shall have the contractor complete the form, itemizing the costs in accordance with the terms of the contract, and return three copies to the borrower's engineer. A copy of each change order shall be attached to each copy of the construction inventory required to close out the contract.

[54 FR 39267, Sept. 25, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, as amended at 64 FR 16609, Apr. 6, 1999]

§ 1753.49 Closeout documents.

(a) *General.* The borrower shall be responsible for preparing the closeout documents with, if necessary, the assistance of the GFR.