

construction to accomplish the objectives of a loan as stated in a LD approved by RUS.

(4) *Preloan engineering services*—The planning and design work performed in preparing a LD. This consists of helping the borrower determine the objectives for a loan, including consideration of RUS's requirements relating to the modernization plan, selecting the most effective and efficient methods of meeting loan objectives, and preparing the LD which describes the objectives and presents the method selected to meet them.

(c) Single copies of RUS forms and publications cited in this part are available free from Administrative Services Division, Rural Utilities Service, United States Department of Agriculture, Washington, DC 20250-1500. These forms and publications may be reproduced.

(d)(1) All outside architects and engineers employed by RUS telephone borrowers shall have insurance coverage as required by 7 CFR part 1788.

(2) Borrowers shall ensure that their architects and engineers comply with the insurance requirements of their contracts. See 7 CFR 1788.54.

(e)(1) Borrowers shall make prompt payments to architects and engineers as required by the contract.

(2) RUS shall not make loan funds available for late payment interest charges.

[54 FR 3984, Jan. 27, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, as amended at 58 FR 66259, Dec. 20, 1993; 59 FR 17464, Apr. 13, 1994; 64 FR 16605, Apr. 6, 1999]

#### § 1753.16 Architectural services.

(a) The borrower shall be responsible for selecting an architect to perform the architectural services required in the design and construction of buildings.

(b)(1) The borrower shall use Form 220 when contracting for architectural services for major construction, except that the borrower may use either Form 220 or Form 217 if the building is an unattended central office building.

(2) The borrower and the architect negotiate the fees for services under Form 220.

(3) Reasonable modifications or additions to the terms and provisions in

Form 220 may be made, subject to RUS approval, to obtain the specific services needed for a building.

(4)(i) Three copies of Form 220, executed by the borrower and the architect, shall be sent to GFR to be forwarded to RUS for approval. RUS will review the contract terms and conditions. RUS will not approve the contract if, in RUS's judgment:

(A) Unacceptable modifications have been made to the contract form.

(B) The contract will not accomplish loan purposes.

(C) The architectural service fees are unreasonable.

(D) The contract presents unacceptable loan security risk to RUS.

(ii) If RUS approves the contract, RUS will send one copy to the architect and one copy to the borrower.

(5) Loan funds will not be available to pay for the preliminary architectural services if a loan is not made for the construction project, or if the construction project is abandoned.

(6) Subpart D of 7 CFR part 1753 sets forth the requirements and procedures to be followed by borrowers constructing central office, warehouse, and garage buildings with RUS loan funds.

(c)(1) RUS telephone borrowers shall obtain two copies of a completed Form 284, Final Statement of Architect's Fees, when all services and obligations required under the architectural services contract have been completed. All fees shown on the statement shall be supported by detailed information where appropriate. For example: out-of-pocket expense, cost plus, and per diem types of compensation shall be listed separately with labor, transportation, etc., itemized for each service involving these types of compensation.

(2) If Form 284 and supporting data are satisfactory, the borrower shall approve the statement, sign both copies, and send one copy to the GFR.

(3) Upon approval of Form 284 by RUS, the borrower shall promptly make final payment to the architect.

[54 FR 3984, Jan. 27, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, as amended at 59 FR 43717, Aug. 25, 1994; 64 FR 16606, Apr. 6, 1999]