

§ 1753.17 Engineering services.

(a)(1) All engineering services required by a borrower to support its application for a loan shall be rendered by a qualified engineer selected by the borrower or by qualified employees on the borrower's staff. The selection of the preloan engineer, the form of preloan engineering service contract, and the contract itself, are not subject to RUS approval. Borrowers, however, should discuss their proposed method of obtaining preloan engineering services with the GFR before proceeding with any arrangements.

(2) Form 835, Preloan Engineering Service Contract, Telephone System Design, is a suggested form of preloan engineering service contract. While use of this form of contract is not required, it will be helpful in determining the tasks to be performed. Any form of contract used shall specify that preloan engineering services conform to RUS requirements for preloan studies. See subpart D of 7 CFR part 1737.

(b)(1) *Major construction.* (i) Three copies of Form 217 executed by the borrower and the engineer shall be sent to the GFR to forward to RUS for approval. The engineer's estimate of the engineering fees, on Form 506, shall be included.

(ii) 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 engineering service fees are unreasonable.

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

(E) The consulting engineering firm is affiliated with or has represented a contractor, vendor, or manufacturer who may provide labor, materials, or equipment to the borrower under any current loan.

(2) *Minor construction.* When a borrower contracts for an engineering firm to inspect and certify construction accounted for under the work order procedure or the Contract for Miscellaneous Construction Work and Maintenance Services, Form 773 (See 7 CFR part 1753 subpart I), the borrower shall

require that the certification be signed by a licensed engineer.

(c)(1) *Major construction.* When the extent and complexity of the proposed construction is such that the engineering involved is within the capabilities of employees on the borrower's staff, borrowers may request RUS approval to provide such services.

(i) The request shall include:

(A) A description of services to be performed.

(B) The name and qualifications of the employee to be in charge. RUS requires this employee to meet the State experience requirements for registered engineers. In the absence of specific State experience requirements, the employee must have at least eight years experience in the design and construction of telecommunication facilities, with at least two years of the work experience at a supervisory level. RUS does not require professional registration of this employee, but this does not relieve the borrower from compliance with applicable State registration requirements which may require a licensed individual to perform such services.

(C) The names, qualifications, and responsibilities of other principal employees who will be associated with providing the engineering services.

(D) A letter signed by an authorized representative of the borrower authorizing the engineering services to be performed by force account and certifying the information supporting the request.

(ii) RUS shall notify the borrower by letter of approval or disapproval to perform force account engineering. The letter shall set forth any conditions associated with an approval or the reasons for disapproval.

(iii) RUS's approval of force account engineering for major construction shall be only for the specific projects named in the notice of approval.

(2) *Minor construction.* (i) When the borrower proposes to perform the inspection and certification of minor construction, the following shall be submitted to the RUS:

(A) A copy of the employee's qualifications and experience record, unless previously submitted. RUS requires a minimum of four years of construction

and inspection experience. The employee cannot be engaged in the actual construction.

(B) A letter signed by an authorized representative of the borrower authorizing the performance of these services by the employee, subject to RUS approval, and certifying the supporting information.

(i) RUS shall notify the borrower by letter of approval or disapproval of the borrower's staff employee to perform the inspection and certification of construction. The approval shall be limited to the employee's area of expertise.

(d)(1) Subject to the requirements of this part and other applicable regulations, RUS will make loan funds available for the architectural and engineering services up to the amounts included in the approved loan.

(2) Advance of funds shall be requested on an FRS as set forth in 7 CFR part 1744 subpart C.

(e) The borrower shall obtain status of contract and force account proposal reports from the engineer once each month. The report shall show for each contract or FAP the approved contract or FAP amount, the date of approval, the scheduled date construction was to begin and the actual date construction began, the scheduled completion date, the estimated or actual completion date, the estimated or actual date of submission of closeout documents, and an explanation of delays or other pertinent data relative to progress of the project. One copy of this report shall be submitted to the GFR.

(f)(1) Upon completion of all services required under the engineering service contract Form 217, the borrower shall obtain from the engineer four copies of the Final Statement of Engineering Fee, Form 506.

(2) If the statement is satisfactory, the borrower shall sign all copies and send three to the GFR.

(3) After RUS approval of Form 506, one copy shall be sent to the borrower and one copy sent to the engineer.

(4) The borrower shall promptly make final payment to the engineer.

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

§ 1753.18 Engineer and architect contract closeout certifications.

A certification of completion and inspection of construction signed by the borrower and countersigned in accordance with accepted professional engineering and architectural practice, by the engineer or architect, shall be prepared as evidence of completion of a major construction project. This certification shall make reference to the contract number and contract amount, and shall include the following:

(a) A statement that the construction is complete and was done in accordance with the RUS approved system design or layout or subsequent RUS approved changes.

(b) A statement that the construction was for loan purposes.

(c) A statement that construction used RUS-accepted materials and was in accordance with specifications published by RUS covering the construction which were in effect when the contract was executed, or in the absence of such specifications, that it meets other applicable specifications and standards (specify), and that it meets all applicable national and local code requirements as to strength and safety.

(d) A statement that the construction complies with the "Buy American" provision (7 U.S.C. 903 note) of the Rural Electrification Act of 1936 (7 U.S.C. 901 *et seq.*).

(e) A statement that all necessary approvals have been obtained from regulatory bodies and other entities with jurisdiction over the project.

(f) A statement that all closeout documents required by this part have been examined and found complete such that the Contractor has fulfilled all obligations under the contract except for warranty coverage.

(g) A statement that the engineer or architect is not affiliated with and does not represent the contractor, vendor, or manufacturer who is a participant in the contract.

[64 FR 16606, Apr. 6, 1999]

§§ 1753.19–1753.20 [Reserved]

Subpart C [Reserved]