

*Sealed competitive bidding*—A method of contracting that employs sealed competitive bids, public opening of bids, and award of the contract to the bidder submitting the lowest responsive bid. See § 1753.8.

*Single source negotiation*—Negotiating with a single source (contractor or seller).

*Special equipment*—Equipment used primarily for the transmission and enhancement of voice, data, carrier, radio and light signals, and other equipment and facilities, including incidental cable and other transmission equipment.

*Subcontract*—A secondary contract undertaking some of the obligations of a primary contract. Under all RUS forms of contract, the primary contractor bears full responsibility for the performance of the subcontractor.

*Unbalanced bid*—A bid which contains pricing for a task or material that is significantly higher or lower than pricing for similar tasks or materials.

*Work order construction*—Minor construction performed by the borrower's employees, pursuant to its work order procedure, with the borrower furnishing all materials, equipment, tools, and transportation.

[54 FR 39267, Sept. 25, 1989, unless otherwise noted. Redesignated at 55 FR 39396, Sept. 27, 1990, and amended at 58 FR 66259, Dec. 20, 1993; 59 FR 17464, Apr. 13, 1994; 64 FR 16604, Apr. 6, 1999]

### § 1753.3 Preconstruction review.

(a) Advance RUS approval must be obtained for any construction that does not conform to RUS standards and specifications or the approved LD, such as construction of extensions to serve subscribers in areas not included in the LD (See 7 CFR part 1737). For loans approved after RUS approval of the modernization plan in the borrower's state, the proposed construction must conform to the modernization plan, as required by 7 CFR part 1751, subpart B. To obtain approval, the borrower shall submit a written proposal containing:

(1) A description of the work, indicating any deviations from the approved LD or RUS standards and specifications.

(2) An engineering study covering the deviations if there are changes in the design.

(3) A cost estimate for labor, engineering, materials, and overheads.

(4) If applicable, a brief analysis from the borrower demonstrating that the proposed changes conform to the modernization plan.

(b) Before any construction, including interim construction, is initiated, the GFR shall meet with the borrower to review the LD to determine if any significant changes have occurred since its approval by RUS. It is important that the design and construction of the proposed facilities be based on the latest information on subscriber needs.

(c) If the borrower and GFR agree that there have been no significant changes, the borrower may proceed.

(d) If the GFR finds that the LD is no longer satisfactory, the borrower shall prepare an amendment to the LD incorporating the necessary revisions (See 7 CFR part 1737). The borrower must obtain RUS approval of the LD amendment before proceeding with engineering activities on any project to be financed with loan funds.

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### § 1753.4 Major and minor construction.

RUS's general requirements for construction are set forth in this subpart A. Additional requirements and procedures for different types of major construction are presented in subparts D, E, F, G, and H (OMB control number 0572-0062). The requirements and procedures for minor construction are presented in subpart I. Borrowers may, at their option, follow the procedures in subparts D, E, F, G, and H for any minor construction.

### § 1753.5 Methods of major construction.

(a) All major construction projects financed by loan funds shall be performed pursuant to a contract approved by RUS and awarded through sealed competitive bidding unless

(1) A specific exception is granted in subparts D, E, F, G, or H, or

(2) Written RUS approval is obtained.