

(3) Make distribution of the completed documents as indicated in the table in this section.

(d) Final payment shall not be made until RUS has approved the closeout documents.

[54 FR 39267, Sept. 25, 1989. Redesignated at 55 FR 39396, Sept. 27, 1990, as amended at 59 FR 43717, Aug. 25, 1994; 64 FR 16606, Apr. 6, 1999]

**§§ 1753.31–1753.35 [Reserved]**

**Subpart E—Purchase and Installation of Central Office Equipment**

SOURCE: 54 FR 39267, Sept. 25, 1989, unless otherwise noted. Redesignated at 55 FR 39397, Sept. 27, 1990.

**§ 1753.36 General.**

(a) This subpart implements and explains the provisions of the Loan Documents setting forth the requirements and the procedures to be followed by borrowers in purchasing and installing central office equipment financed with loan funds.

(b) Terms used in this subpart are defined in §1753.2 and RUS Contract Forms 525 and 545.

(c) Borrowers shall use RUS Contract Form 525, Central Office Equipment Contract (Including Installation), when the firm supplying the equipment will install it and RUS Contract Form 545, Central Office Equipment Contract (Not Including Installation) when the supplier of the equipment will not be installing it. In either case the appropriate specifications shall be included in the contract.

(d) Alternates, if any, specified in the P&S shall be kept to a minimum.

(e) The borrower shall take sealed competitive bids for all central office equipment to be purchased under RUS Contract Form 525 or 545 using the procedure set forth in §1753.38(a), unless RUS approval to negotiate is obtained.

(f) The borrower may request permission to negotiate with a single supplier for additional central offices to standardize equipment on a system basis. RUS approval to negotiate must be obtained before release of the plans and specifications to the supplier. Except for remote switching terminals associ-

ated with an existing central office, RUS will not approve negotiation with a non-domestic manufacturer for the purpose of standardization because such a purchase does not meet the RE Act “Buy American” provisions.

(g) Materials and equipment must meet the standards and general specifications approved by RUS. Materials and equipment included in I.P. 300-4, “List of Materials Acceptable for Use on Telecommunications Systems of RUS Borrowers”, have been accepted as meeting these requirements. If the equipment is not included in the “List of Materials” but has been approved for field trial installation, the borrower must in each instance obtain field trial approval from RUS prior to entering into any agreement with a supplier.

(h) Only new equipment shall be purchased unless otherwise approved by RUS.

(i) All purchases of materials and equipment are subject to the “Buy American” requirements.

(j) If the sealed competitive bid procedure is followed, negotiation after bid opening will not be permitted.

[54 FR 39267, Sept. 25, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, as amended at 64 FR 16607, Apr. 6, 1999]

**§ 1753.37 Plans and specifications (P&S).**

(a) *General.* (1) Prior to the preparation of P&S, the borrower shall review with the GFR the current and future requirements for central office equipment.

(2) The P&S shall specify the delivery and completion time required for each exchange.

(3) The P&S shall provide for a complement of spare parts to be provided to the borrower. The quantity and type of spare parts shall be determined in accordance with the provisions in RUS Form 522 “General Specification for Digital, Stored Program Controlled Central Office Equipment.”

(4) P&S for equipment to be provided under a Form 545 contract shall require the supplier to provide specific installation information and a detailed bonding and grounding plan to be utilized by the engineer, borrower, and others responsible for the installation of the equipment.

## § 1753.38

(b) *Preparation of P&S.* (1) The P&S shall include RUS Contract Form 525 or 545, Notice and Instructions to Bidders, specifications for the required equipment for each exchange, provision for spare parts, and all other pertinent data needed by the bidder to complete its proposal.

(2) Guidelines for the preparation of the detailed equipment specifications are contained in the Telecommunications Engineering and Construction Manual (TE&CM), which is available from RUS.

(c) RUS review of P&S is required for construction estimated to cost over \$500,000 total or estimated to cost more than 25% of the total loan, whichever is less.

(1) If RUS review is required, the borrower shall submit one copy of the P&S to the GFR for RUS review.

(2) RUS will review the P&S and notify the borrower in writing of approval or disapproval.

[54 FR 39267, Sept. 25, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, as amended at 64 FR 16607, Apr. 6, 1999]

### § 1753.38 Procurement procedures.

(a) *Sealed competitive bidding.* Sealed competitive bidding of central office equipment shall be in two steps: presentation and evaluation of suppliers' technical proposals, and compliance with the sealed competitive bidding procedure set forth in §1753.8(a). The procedure is as follows:

(1) *Solicitation of bids.* (i) After RUS approval of the specifications and equipment requirements (required only for projects expected to exceed \$500,000 or 25% of the loan, whichever is less), the borrower shall send "Notice and Instructions to Bidders" to suppliers with central office equipment included in the current Informational Publication (I.P.) 300-4, "List of Materials Acceptable for Use on Telecommunications Systems of RUS Borrowers." I.P. 300-4 is a subscription item available from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954. This "Notice" may also be sent to suppliers of non-domestic equipment currently accepted by RUS as meeting RUS technical standards. The "Notice" may also be sent to sup-

## 7 CFR Ch. XVII (1-1-08 Edition)

pliers of central office equipment accepted for field trial.

(ii) The "Notice" must set forth the method of evaluating bids and must require the submission of equipment lists and traffic calculations with the bids.

(iii) RUS Contract Forms 525 or 545 shall be used, except that the "Notice" shall state that prior to the bid opening a technical session will be conducted with each supplier to resolve any questions related to the technical proposal submitted by the supplier. The suppliers' technical proposals should be requested for presentation 30 days in advance of the bid opening to enable sufficient time to make the technical evaluation.

(iv) The borrower shall solicit bids as set forth in §1753.8(a)(2). The "Notice" shall be sent to at least three prospective bidders. A copy of the "Notice" and a list of such bidders shall be sent to RUS.

(v) At the request of an invited supplier, the borrower shall provide two copies of the P&S.

(2) *Technical Sessions.* (i) The borrower shall schedule individual technical sessions by the suppliers, notify each supplier of its scheduled date and time, notify the GFR of all scheduled dates and times, and request the following be available at the technical session:

(A) Lists of equipment, material and software.

(B) Proposed floor plan.

(C) Power and heat dissipation calculations.

(D) List of exceptions to plans and specifications.

(E) Protection and grounding requirements.

(F) Description of how office administration, maintenance and traffic collection are handled with step-by-step examples and printouts.

(G) Explanation of processor and/or memory expansion required to meet ultimate size. This shall include discussions of software, processor memory, and hardware additions needed for line additions and the introduction of various future services; the relative costs of installing the necessary hardware and software initially as compared with the anticipated cost if installed at