

(2) Equipment contract amendments shall be prepared on RUS Contract Form 238, Construction or Equipment Contract Amendments.

(e) *Additions.* When additions to existing central office equipment are required:

(1) A proposal shall be requested from the supplier.

(2) The borrower shall prepare a plan containing an outline of the proposed use of the equipment, the proposal from the supplier and an estimate of the installation cost. If the total cost exceeds \$500,000, RUS approval of the award of contract is required. The borrower shall in this case submit its plan and the supplier's proposal to GFR. If the cost does not exceed \$500,000, the borrower's award of contract is not subject to RUS approval.

(3) If RUS approval was required by paragraph (e)(2) of this section, upon RUS approval the purchase may be made using RUS Contract Form 525, or 545, or when applicable, the procedures contained in subpart I of this part.

(4) If the purchase is to be made by contract, three executed copies of the contract with attachments are to be submitted to the RUS.

(5) Installation of the central office equipment and materials procured by RUS Contract Form 545 may be made in accordance with subpart I, if applicable, or by an approved FAP.

(f) *Preinstallation conference.* RUS recommends, but does not require, that the borrower hold a preinstallation conference, attended by the borrower, its engineer, equipment installers, and if possible the GFR, prior to the beginning of the installation of the central office equipment.

[54 FR 39267, Sept. 25, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, as amended at 59 FR 17679, Apr. 14, 1994; 64 FR 16607, Apr. 6, 1999]

§ 1753.39 Closeout documents.

Closeout of RUS Contract Form 525, Central Office Equipment Contract (Including Installation), and RUS Contract Form 545, Central Office Equipment Contract (Not Including Installation), shall be conducted as follows:

(a) *Contract amendments.* Amendments that must be submitted to RUS for approval, as required by §1753.11,

shall be submitted promptly. All other amendments may be submitted to RUS with the engineer's contract closeout certification.

(b) *Taxes.* Under the terms of RUS Contract Forms 525 and 545, the bid prices do not include any amounts which are or may be payable by the bidder or the borrower on account of taxes imposed upon the sale, purchase or use of equipment, material and software covered by the contracts. If any such tax is paid by the bidder, the contract requires that the amount is to be stated separately on all invoices and paid by the borrower.

(c) *Acceptance tests.* The borrower will perform acceptance tests as part of the partial closeout and final closeout of RUS Contract Form 525. Tests that will demonstrate compliance with the requirements of 7 CFR 1755.522 are contained in RUS Bulletin 1753E-201. Other tests demonstrating compliance will be acceptable. RUS Bulletin 1753E-201 is available from RUS, Program Support and Regulatory Analysis, STOP 1522, 1400 Independence Ave., SW., Washington, DC 20250-1522.

(d) *Grounding system audit.* A grounding system audit shall be performed and found acceptable for equipment provided under Form 525 and 545 Contracts, prior to placing a central office or remote switching terminal into full service operation. The audits are to be conducted in accordance with guidelines contained in the applicable sections of RUS Form 522 "General Specification for Digital, Stored Program Controlled Central Office Equipment." The audits shall be performed by the contractor and borrower for Form 525 equipment and by the borrower for Form 545 equipment.

(e) *Partial Closeout Procedure.* Under conditions set forth in RUS Contract Form 525, a contractor may, when approved by the borrower, receive payment in full for central offices and their respective associated remote switching terminals upon completion of the installation without awaiting completion of the project where the contractor is to receive such payment, the procedure contained in the applicable sections of RUS Contract Form 525 shall be followed. In addition to complying with the appropriate partial

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closeout procedure contained in RUS Contract Form 525, the borrower shall:

(1) Obtain from the engineer a certification of partial closeout.

(2) Submit one copy of the summary to RUS with an FRS.

(f) *Final contract closeout procedure.* The documents required for the final

closeout of the central office equipment contract, RUS Contract Forms 525 and 545, are listed in the following table, which also indicates the number of copies and their distribution. The procedure to be followed is as follows:

DOCUMENTS REQUIRED TO CLOSEOUT CENTRAL OFFICE EQUIPMENT CONTRACT

RUS Form No.	Description	Use with		Prepared by		Distribution	
		RUS Form 525	RUS Form 545	Contractor	Engineer	Borrower	Contractor
238	Construction or Equipment Contract Amendment (if not previously submitted, send to RUS for approval).	X	X	.....	(3)	(to RUS)	(to RUS)
754	Certificate of Completion and Certificate of Contractor and Indemnity Agreement (if submitted, Form 744 is not required).	X	.....	3	3	2	1
517	Results of Acceptance Tests (prepare and distribute copies immediately upon completion of the acceptance tests of each central office).	X	.....	.....	2	1	1
752a	Certificate of Completion—Not Including Installation.	.....	X	.....	2	1	1
224	Waiver and Release of Lien (from each supplier).	X	.....	1	.....	1	.....
231	Certificate of Contractor.	X	.....	1	.....	1	.....
213	Certificate (Buy American).	X	X	1	.....	1	.....
None	Switching Diagram, as installed.	X	X	2	.....	2	.....
None	Set of Drawings (each set to include all the drawings required under the Specification, RUS Form 522).	X	X	2	.....	2	.....

(1) The borrower shall:

(i) Immediately following completion of the last central office equipment installation, arrange with the contractor's installer, connecting company (where necessary), and the GFR for performance of the acceptance tests of offices not previously tested. The date for testing should be established so that the installer will not be required to return to the site for the sole purpose of assisting in these tests. Accept-

ance tests shall be performed within 30 days of completion of the installation, unless otherwise requested in writing by the contractor and approved in writing by the borrower.

(ii) When the acceptance tests have been satisfactorily completed and the contractor has corrected all the discrepancies:

(A) Prepare and assemble the documents listed in the table in this section, Documents Required to Close Out Central Office Equipment Contracts.

(B) Notify the GFR that the project is ready for final RUS inspection.

(iii) Make the documents listed in the table available for GFR review on the date of final inspection.

(iv) Distribute the documents as indicated in the table. The documents listed for RUS shall be retained by the borrower for inspection by RUS for at least two years from the date of the engineer's contract closeout certificate.

(2) The documents required and the procedure to be used for equipment purchased and/or installations made using the method of minor construction are set forth in subpart I.

(g) Once RUS approval has been obtained for any required amendments, the borrower shall obtain certifications from the engineer that the project and all required documentation are satisfactory and complete. The requirements for the final contract certification are contained in §1753.18.

(h) Once these certifications have been received, final payment shall be made according to the payment terms of the contract. Copies of the certifications shall be submitted with the FRS, requesting the remaining funds on the contract.

[54 FR 39267, Sept. 25, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, and amended at 59 FR 31126, June 17, 1994; 59 FR 43717, Aug. 25, 1994; 62 FR 32477, June 16, 1997; 64 FR 16608, Apr. 6, 1999]

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Subpart F—Outside Plant Major Construction by Contract

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

§ 1753.46 General.

(a) This subpart implements and explains the provisions of the loan documents setting forth the requirements and procedures to be followed by borrowers when outside plant major construction by contract is financed by loan funds. Terms used in this subpart

are defined in §1753.2 and RUS Contract Form 515.

(b) The contract method for major construction is described in §1753.5(b).

(c) The two contract forms which may be used for major outside plant construction are Form 515 and Form 773. Limitations on the applicability of these forms shall be as follows:

(1) Form 515 shall be used for major outside plant construction projects which will be competitively bid. The contract contains plans and specifications and has no dollar limitation. See §§1753.47, 1753.48 and 1753.49.

(2) Contract Form 515, which is for \$250,000 or less, may, at the borrower's option, be negotiated. See §1753.48(b).

(3) RUS Form 773 may be used for minor outside plant projects which are not competitively bid because they cannot be designed and staked at the time of contract execution. Projects of this nature include routine line extensions and placement of subscriber drops. See subpart I of this part.

[54 FR 39267, Sept. 25, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, and amended at 59 FR 43717, Aug. 25, 1994; 64 FR 16608, Apr. 6, 1999]

§ 1753.47 Plans and specifications (P&S).

(a) *General.* (1) Prior to the preparation of P&S for the construction project:

(i) A review shall be made of the outside plant requirements, and the Loan Design (LD) shall be revised to reflect any needed changes (See §1753.3).

(ii) Deviations from the approved LD (7 CFR part 1737) must be approved by RUS (See §1753.3).

(2) The standard RUS specifications required for construction of outside plant facilities are:

(i) RUS Form 515a (Bulletin 345–150)—Specifications and Drawings for Construction of Direct Buried Plant.

(ii) RUS Form 515c (Bulletin 345–151)—Specifications and Drawings for Conduit and Manhole Construction.

(iii) RUS Form 515d (Bulletin 345–152)—Specifications and Drawings for Underground Cable Installation.

(iv) RUS Form 515f (Bulletin 345–153)—Specifications and Drawings for Construction of Pole Lines and Aerial Cables.