

STEP-BY-STEP PROCEDURE FOR CLOSEOUT OF CONSTRUCTION CONTRACT—Continued
[RUS Form 515]

Step No.	Sequence		By	Procedure
	When			
4	By inspection date		Borrower's Engineer.	Obtains and makes available the following documents: a set of "as constructed" detail maps and (when applicable) "as built" key maps; a list of construction change orders; the final staking sheets; the tabulation staking sheets; the treated forest products inspection reports or certificates of compliance; the tentative final inventory, RUS Forms 724 and 724a; the tentative tabulation, RUS Form 231 (if borrower furnished part of material); and, a report of results of acceptance tests.
5	During inspection		Borrower's Engineer.	Issues instructions to contractor covering corrections to be made in construction as a result of inspection.
6	During inspection		Contractor	Corrects construction on basis of instructions from the borrower's engineer. The corrections should proceed closely behind the inspection in order that the borrower's engineer can check the corrections before leaving the system.
7	During inspection		Borrower's Engineer.	Inspects and approves corrected construction. Marks inspected areas on the key map, if available, otherwise on the detail maps.
8	Upon completion of inspection		Borrower's Engineer.	Prepares or obtains all the closeout documents listed in Table 3.
9	After signing final inventory		Borrower	Prepares and submits to RUS the engineer's certifications of completion and a Financial Requirement Statement, RUS Form 481, requesting amount necessary to make final payment due under contract.
10	On receipt of final advance		Borrower	Promptly forwards check for final payment to contractor.
11	During subsequent loan fund audit review following final payment.		RUS Field Accountant.	Examines borrower's construction records for compliance with the construction contract and Subpart F, and examines RUS Form 281 (Tabulation of Materials Furnished by Borrower) if any, for appropriate costs.

(iii) When the total inventory price exceeds the maximum contract by more than 20 percent, an extension to the contractor's bond is required.

(iv) The borrower shall submit the engineer's contract closeout certification with FRS for the final advance of funds.

(3) Final payment shall be made according to the payment provisions of article III of RUS Form 515, except that certificates and other documents required to be submitted to or approved by the Administrator shall be submitted to and approved by the Owner.

[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 16609, Apr. 6, 1999]

§§ 1753.50–1753.55 [Reserved]

Subpart G—Outside Plant Major Construction by Force Account

SOURCE: 55 FR 3572, Feb. 2, 1990, unless otherwise noted. Redesignated at 55 FR 39397, Sept. 27, 1990.

§ 1753.56 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 for outside plant major construction by the force account method with RUS loan funds. Terms used in this subpart are defined in §1753.2 and RUS Contract Form 515.

(b) A borrower shall not use the force account method for construction financed with loan funds unless prior RUS approval has been obtained.

(c) Generally, RUS will not approve the force account method for major

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outside plant construction for the initial loan to a borrower.

(d) The Force Account Proposals (FAPs) are subject to review and approval by RUS.

(e) The FAP is approved by RUS on the basis of estimated labor and material costs. The FAP is closed based on the borrower's actual cost of performing the construction. RUS will provide loan funds only up to the amount determined by the completed assembly units priced at the unit prices in the approved FAP.

(Approved by the Office of Management and Budget under control number 0572-0062)

§ 1753.57 Procedures.

(a) *The request.* (1) The borrower shall submit to RUS a certified copy of the board resolution or a letter signed by an authorized corporate official requesting approval to use the force account method of construction. The request shall state the advantages of the force account method of construction and provide the following information:

(i) The scope of the construction to be undertaken, stating briefly the facilities and equipment to be installed and other pertinent data.

(ii) The name and qualifications of the construction supervisor who will be directly in charge of construction, the names and qualifications of the construction foremen, and the availability of qualified construction personnel. The construction supervisor must have at least 5 years outside plant construction experience with at least 2 years at the supervisory level on RUS financed projects. Construction foremen must have at least 3 years of outside plant construction experience.

(iii) The availability of equipment for construction, exclusive of equipment needed for normal operation and maintenance.

(2) [Reserved]

(b) *Force Account Proposal (FAP).* Upon receiving RUS approval to use the force account method, the borrower, prior to any construction activity or the purchase of materials or equipment, shall submit to RUS two copies of its FAP. The FAP shall consist of:

(1) The RUS Contract Form 515 and appropriate supporting attachments

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that normally would be provided as plans and specifications for contract construction. See §1753.47.

(2) The cost estimate, using Form 515 as a convenient means of showing the following:

(i) The quantity and cost estimates of the various assembly units required. "Labor and other" cost will not include the cost of engineering, legal, and other professional services, interest during construction, preliminary survey and investigation charges, and right-of-way easement procurement costs.

(ii) A list identifying materials or construction for which loan funds will not be requested.

(3) The estimated completion time.

(c) *Storage of materials.* All materials ordered for the construction shall be stored separate from normal maintenance materials.

(d) *Construction—(1) Preconstruction conference.* The borrower shall arrange a conference, attended by the manager, construction supervisor, construction foremen, resident engineer and the GFR prior to the beginning of construction to clarify any questions pertaining to the construction. Notes of the conference shall be provided to each conference participant.

(2) *Construction schedule and progress reports.* The borrower shall obtain from the engineer a construction schedule and submit one copy to the GFR. The schedule shall include the starting date and a statement indicating that materials are either delivered or deliveries are assured to permit construction to proceed in accordance with the construction schedule. The borrower shall obtain from the engineer progress reports and submit one copy of each to the GFR. RUS Form 521 may be used for the construction schedule and the progress report.

(3) *Borrower's management responsibilities.* (i) Obtain all right-of-way easements, permits, etc., prior to construction.

(ii) Maintain records on all expenditures for materials, labor, transportation, and other costs of construction, in order that all costs may be fully accounted for upon completion of construction.