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The following supplements modify the "Instructions to Bidders", AIA Document A701, 1997. Where a portion of the Instructions to Bidders is modified or deleted by these Supplemental Instructions, the unaltered portions of the Instructions to Bidders shall remain in effect. The provisions contained in these Supplemental Instructions shall supersede any conflicting provisions of said AIA Document.

## ARTICLE 2, BIDDER'S REPRESENTATION

Add the following subparagraph:

2.1.5 This Bid has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this Bid with any other Bidder or with any competitor.

## ARTICLE 4, BIDDING PROCEDURES

Add the following to subparagraph 4.1.1:

Only one copy of the Bid is to be submitted.

Delete subparagraph 4.2.1 and 4.2.2 and substitute the following:

4.2.1 Each Bid must be accompanied by a Bid Bond payable to the Owner for \_\_\_\_\_ percent (\_\_\_\_%) of the total amount of the Bid.

4.2.2 The Bid Bond shall be written on a form identical to that included in the Bidding Documents, and the attorney-in-fact who executes the bond on behalf of the surety shall affix to the bond a certified and current copy of the power of attorney.

Add the words "payment and performance" before the word "bonds" to this subparagraph.

Add the following subparagraph to 4.2.4

4.2.4 In the case of failure of the Bidder to execute the Agreement and obtain the Performance Bond and Payment Bond within the agreed time, the Owner may consider the Bidder in default, in which case the Bid Bond accompanying the bid shall become the property of the Owner.

Add the following subparagraphs:

4.3.5 All applicable laws, ordinances, and the rules and regulations of all authorities having jurisdiction over construction of the Project shall apply to the Contract throughout.

4.3.6 The Bidder agrees to abide by the requirements under Executive Order No. 11246, as amended, including specifically the provisions of the Equal Opportunity Clause and the Standard Federal Equal Employment Opportunity Construction Contract Specifications set forth in the Supplemental Conditions.

4.3.7 The Bidder agrees to abide by the requirements of section 319 of Public Law 101-121, which pertains to lobbying activities and applies to recipients of contracts or subcontracts that exceed \$100,000 at any tier under a Federal loan that exceeds \$150,000 or a Federal grant that exceeds \$100,000. Each Bid shall be accompanied by a completed lobbying certification form identical to that included in the Bidding Documents.

4.3.8 The Bidder agrees to abide by the requirements under 7 C.F.R. part 301Y, which pertains to the debarment or suspension of a person from participating in a Federal program or activity. Each Bid exceeding \$25,000 shall be accompanied by a relevant completed certification form identical to that included in the Bidding Documents.

Delete subparagraph 4.4.1 and substitute the following:

4.4.1 No Bidder may withdraw, modify or cancel a Bid within 60 calendar days after the actual date of the opening thereof. Should there be reasons why the Contract cannot be awarded within the specified period, the time may be extended by mutual agreement between the Owner and the Bidder, and the concurrence of the USDA - Rural Development.

Delete the words ", if required," from subparagraph 4.4.4.

## ARTICLE 5, CONSIDERATION OF BIDS

Delete subparagraph 5.3.2 and substitute the following:

5.3.2 The Owner shall have the right to accept Alternates in the sequence listed and to determine the low Bidder on the basis of the sum of the Base Bid and the Alternates accepted.

## ARTICLE 7, PERFORMANCE BOND AND PAYMENT BOND

Delete subparagraph 7.1.1 and substitute the following:

7.1.1 Prior to execution of the Contract, the Bidder shall furnish bonds covering the faithful performance of the Contract and the payment of any obligations arising thereunder in the amount of the contract sum. The cost shall be included in the Bid.

Delete subparagraphs 7.1.2 and substitute the following:

7.1.2 Surety companies executing Bonds must hold a certificate of authority as an acceptable surety on Federal Bonds as listed in Treasury Circular 570, as amended, and be authorized to transact business in the State where the Project is located.

Delete Subparagraph 7.1.3.

Delete subparagraphs 7.2.1 and 7.2.2 and substitute the following:

7.2.1 The party to whom the Contract is awarded will be required to execute the Agreement and obtain a Performance Bond and Payment Bond within ten (10) calendar days from the date when the Notice of Award is delivered to the Bidder. The Notice shall be accompanied by the necessary Agreement and Bond forms.

7.2.2 The Bonds shall be written on forms identical to those included in the Bidding Documents. Surety companies executing bonds must hold a certificate of authority as an acceptable surety on Federal Bonds as listed in Treasury Circular 570, as amended, and be authorized to transact business in the State where the project is located.

ADD NEW ARTICLE 9 AS FOLLOWS:

ARTICLE 9, MISCELANOUS:

- 9.1. The party to whom the Contract is awarded will be required to execute the Agreement and furnish Performance and Payment Bonds, and Certificate of Insurance within ten (10) calendar days from the date when the written "Notice of Award" of the Contract is mailed to the Bidder at the address given by him, said Contract being conditioned upon the approval of the Administrator of the USDA Rural Development or their delegate. In case of failure by the Bidder, the Owner may, at their option, consider that the Bidder has abandoned the Contract.
- 9.2. BIDS furnished by "out-of-state" corporations will not be considered unless these Corporations can furnish evidence of proof to the Owner that a permit to transact business within the State of Iowa has been secured from the Secretary of State in accordance with Chapter 494 of the Code of Iowa.
- 9.3. The Contractor shall submit a construction schedule(s) with each Bid, a construction schedule form is incorporated in the Contract documents.
- 9.4. Bidders must satisfy themselves by personal examination of the location of the proposed Work, by examination of the Plans and Specifications, by exploratory borings, by reviewing the requirements of the Work and the accuracy of the estimates of the quantities of the Work to be done, and shall not at any time after the submission of a bid, dispute or complain of such estimates nor assert that there was any misunderstanding in regard to the nature or amount of work to be done.
- 9.5. For the purpose of clarification, it is understood that the work to be done is being financed in whole or in part by means of a loan and/or grant made or insured by the United States of America, acting through the USDA Rural Development. The USDA Rural Development will, therefore, require approval or concurrence by its representatives of all Contracts, attachments, and similar documents, all partial and final payment estimates, and all Change orders. Bids shall include sales tax and all other applicable taxes and fees.

- 9.6. Payment of the cost of said project will be made in cash to be derived from the proceeds of a revenue loan agreement or the sale of revenue bonds, which will be payable solely and only out of the future net earnings of the utility and/or from such other cash funds on hand as may be lawfully used for said purpose and/or from the proceeds of a federal and/or state grant or grants as may be obtained, and/or in part from the proceeds from the issuance and sale of general obligation bonds.
- 9.7. Payment to each Contractor will be made in monthly estimates and one final payment. Monthly estimates for payment will be ninety-five percent (95%) of the contract value of the Work during the preceding calendar month. Retainage may be reduced as set forth in the General Conditions of the Contract Documents. Final payment will be made to the Contractor no earlier than thirty-one (31) days from and after the final acceptance of work by the Owner in accordance with the requirements of the Contract Documents.
- 9.8. If the prospective Contract exceeds \$10,000, the Bidder must submit a "Compliance Statement", USDA Rural Development Form RD 400-6, as provided in the Contract Documents with his Bid.
- 9.10. The Contract Documents including the detailed Plans contain the provisions required for the construction of the Project. No information obtained from any officer, agent, or employee of the Owner on any such matter shall in any way effect the risk or obligation assumed by the Contractor or relieve him from fulfilling any of the conditions of the Contract.
- 9.11. Bid forms, Plans and Specifications may be obtained from \_\_\_\_\_. A deposit of \_\_\_\_\_ will be required for the Contract Forms, plans and specifications, of which \_\_\_\_\_ will be refunded.
- 9.12. The Contractor(s) shall pay Iowa Sales Tax, Local Option or Use Tax on all materials used in construction based on the location of the Project.