

USDA - RURAL DEVELOPMENT

Engineering Agreements and Amendments



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RURAL DEVELOPMENT REGULATIONS

website

<http://www.rurdev.usda.gov/home.html>



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Professional Services

Owners are responsible for providing Engineering, Architectural, and Environmental Services for planning, designing, bidding, contracting, inspecting, and constructing their facilities.

- Engineering agreements are contracts between the Owner and the Engineer
- RD must approve and concur
- Basic components
- Deliverables
- Fees

Qualification Based Selection

Step 1 - Request for Qualifications

Step 2 - Evaluation of Firms

Step 3 - Interview

Step 4 - Selection and Negotiation

Qualification Based Selection

- This is one of the few times that price is NOT the main concern
- Review qualifications
- Review proposal versus request for proposal
- Technical merit
- Weigh economical cost with technical merit

Engineering Agreements

- It's role/place in application
- An agreement between owner and engineer as to what is going to be done, when, and for what cost
- Prepared, reviewed, and signed in same time frame as PER
- The agreement is to be submitted after the applicant receives a preliminary funding estimate (PFE) letter

Engineering Agreements

Engineers Joint Contract Documents
Committee (EJCDC)

Standard Form of Agreement Between
Owner and Engineer for Professional
Services

EJCDC E-500 (2014)
& RUS Bulletin 1780-26 (4/14)

Guidance

- RUS Bulletin 1780-26 has primary guidance
- Additional guidance in RD NY Engineering Agreement / Amendment Guidelines
- Both available from RD NY

Guidance

- Documents are not supposed to be changed, other than RUS mandated changes
- If changes must be made:
 - Must be minor word changes
 - Single line strike out for deletions
 - Bold all additions/modifications

RUS Bulletin 1780-26: New Requirements

- (1) Engineer must attach the list of “RUS Exhibit B - Revisions to the EJCDC E-500” to the Agreement as an addendum (or make the specific changes listed using bold type additions and deletions with strike-outs).
- (2) Engineer must include the “RUS Exhibit C - Certification Page” in the Agreement.

RUS Bulletin 1780-26: New Requirements

(3) Project-specific requirements may be added to Exhibit J of E-500.

(4) Owner and Engineer must select a payment method from Exhibit C of E-500.

(5) Owner and Engineer must sign the Agreement & complete and sign the RUS Exhibit C – RUS Certification Page.

RUS Bulletin 1780-26: New Requirements

(6) RD must review to ensure changes were made as required or revisions were attached and that the certification is attached, completed, and acceptable.

(7) RD completes and signs the RUS Certification page.

RD Review & Approval

- 4 copies of full agreement, all with original signatures, are to be sent to State Engineer
- The executed Owner-Engineer Agreement must be approved by Rural Development prior to Agency concurrence in any payment of RUS funding for engineering services.
- If OK, RD Engineer signs and returns 2 copies to Project Engineer and 1 copy to Area Specialist

EJCDC E-500: Components

- First part
 - Articles 1-8 – Basic Contractual Clauses
- Exhibit A – Engineer’s Services
 - Part-1 – Basic Services
 - Part-2 – Additional Services
- Exhibit B – Owner’s Responsibilities
 - Additional to basic contract section

Exhibit C - Payments

Use Exhibit C from E-500 “Payments to Engineer for Services and Reimbursable Expenses” but only with following Compensation Packets:

(1) Allowed for Basic Services:

- Lump Sum (Compensation Packet BC-1)
- Standard Hourly Rates (Compensation Packet BC-2)

(2) Allowed for RPR Services:

- Lump Sum (Compensation Packet RPR-1)
- Standard Hourly Rates (Compensation Packet RPR-2)

(3) Allowed for Additional Services:

- Standard Hourly Rates (Compensation Packet AS-1)

Other Agreement Components

- Exhibit D – RPR Duties
- Exhibit E – Notice of Acceptability of Work
- Exhibit F – Construction Cost Limit (optional)
- Exhibit G – Insurance (amounts established by Owner based on advice from Owner's attorney or a risk manager)

Other Agreement Components

- Exhibit H – Disputes (optional)
- Exhibit I – Limitations of Liability (not to be used on RUS funded projects. Deleted or crossed out by the Engineer and Owner prior to execution of the Agreement)
- Exhibit J – Special Provisions (optional)
- Exhibit K – Amendment (include but leave blank)

Engineering Costs

- Preliminary Studies (PER)
- Basic Services (Design Fees)
- Additional Services (Geotechnical, Surveying)
- Contract Administration
- Construction Observation
- Direct Expenses
- Items particular to this project

Engineering Costs Cont.

Engineering fees must be broken down the same in all three locations:

- Engineering Agreement
- Engineering Invoices
- Form E

Professional Services

- Fees must be reasonable
- Fees must be comparable with similar work
- Subject to Rural Development concurrence

Deliverables

- Know your deliverables and their due dates
 - Area Specialist should track these
 - PER
 - Preliminary design
 - Final design
 - Construction Management
 - O&M manual, warranty inspection, others

Engineering Amendments

- All changes to engineering fees must be done by amendment, approved by RD, use Amendment Cover Sheet (from RD NY)
- Amendments shall include justification, hours, time frame, why this is beyond original scope

Changes to Engineering Fees

- Four copies, all with original signatures, of amendments are to be sent to State Engineer
- Each copy shall include the RD NY amendment cover sheet, all documentation, Exhibit K, filled out as appropriate
- Include one copy of a draft Form E
- If OK, RD Engineer signs and returns 2 copies to Project Engineer and 1 copy to Area Specialist

Payments to Engineer

- In general, due by Owner at time of deliverable
- RD provides reimbursements, Owner may owe Engineer prior to RD's reimbursement
- Engineer invoices need to reflect agreement



QUESTIONS ???