



ReConnect Program Construction Procedures



Rural Development

Agenda

- Introduction
- General Requirements
- Professional Services
- Purchase & Installation of Equipment
- Outside Plant Construction
- Building Construction
- Tower Construction
- Small Scale Construction
- Tips for Success
- Available Resources

Introduction

- ***ReConnect Program Construction Procedures – Version 2.0***
 - Covers construction and contracting procedures
 - Included in Award Documents provided to ReConnect Awardees
 - Available to download on the ReConnect website under “Forms and Resources”
https://www.rd.usda.gov/files/ReConnect_Program_Construction_Procedures_Final.pdf

General Requirements



General Requirements

- All work must conform to the approved Network Design and shall be covered by an Environmental Review in accordance with 7 CFR Part 1970
- Construction and/or installation activities, shall not commence until all environmental conditions included in the award documents have been met
- Construction and/or installation activities, shall not commence until all necessary local, state and federal requirements have been satisfied.
- Prior to the conclusion of the environmental review, the Awardee, at their own risk, can order materials and/or equipment that are needed on the ReConnect Project, however, Awardees must request permission from RUS prior to ordering such materials/equipment
- Only new materials and/or equipment will be financed with project funds, unless otherwise approved in writing by RUS.

General Requirements

Non-Federal Entity (NFE)

- State, local government, Indian tribe, Institution of Higher Education, or nonprofit organization that carries out a Federal award as a recipient or subrecipient, as defined in 2 CFR 200
- NFE must follow **Procurement Standards** in 2 CFR 200, Subpart D, unless it has received written approval, otherwise
- NFE receiving Reconnect awards funds under the Infrastructure Investment and Jobs Act (IIJA), must comply with the requirements of [Section 70914](#) of the Build America, Buy America Act within IIJA
- If NFE did not receive funds under the IIJA Act, it will have to comply with the RUS' "Buy-American Requirement" in 7 CFR Part 1787

General Requirements

“Buy American” Requirement

- All materials and equipment financed with **award funds** must comply with the “Buy American” requirement in 7 CFR Part 1787
- Applies to all Awardees, except Non-federal entities that received ReConnect award funds under IIJA
- Requests for waivers must be submitted pursuant to 7 CFR Part 1787
- Waivers must be approved by RUS prior to procuring non-domestic products
- Non-domestic products, including the respective installation costs, can be financed with matching funds or “Other Funds” required for project completion

General Requirements

Insurance Requirements

- Awardee is responsible for ensuring that its contractors, engineers, and architects comply with all the insurance requirements stated in 7 CFR Part 1788, Subpart C
- Construction contracts exceeding \$250,000, that will be financed with project funds, shall require contractors to secure a contractors' bond in a penal sum of not less than the contract amount, which is the sum of all labor and materials including owner-furnished materials included in contract
- For equipment contracts that exceed \$250,000 and include installation, a contractor's bond will not be required when the installation is insignificant, as stated in the [Agency's Memorandum](#)
- RUS Form 168b shall be used when using RUS Contract Forms. A similar form shall be used when using a Non-RUS Contract
- Surety companies providing contractors' bonds must be listed as acceptable sureties in the U.S. Department of Treasury Circular No. 570: <https://fiscal.treasury.gov/surety-bonds/list-certified-companies.html>

General Requirements

Software License

As part of the equipment purchase, the original equipment manufacturer may require the Awardee to enter into a Software License Agreement for the use of the equipment

General Requirements (Cont.)

Non-RUS (Private) Contract

- Awardee must submit a request to use a Non-RUS contract **prior** to execution
- Final draft of the Non-RUS contract must be submitted with the request
- Non-RUS contract must include provisions for the contractor to comply with equal employment opportunity and civil rights requirements
- RUS will not approve the Awardee's request to use the Non-RUS contract if:
 - The contract is for work not covered in the approved application, or is not for an eligible purpose:
 - The contract terms and conditions are vague, inadequate, or unreasonable; or
 - The contract presents unacceptable loan security risk to RUS

General Requirements

Subcontract

- RUS Form 257, **Contract to Construct Buildings**, RUS Forms 395, **Equipment Contract**, and RUS Form 515, **Telecommunications System Construction Contract**, contain provisions for subcontracting the work included in the contract
- RUS Form 282, **Subcontract**, shall be used for subcontracts associated with the above contracts
- Contractor should refer to the individual contracts for the amounts and conditions on subcontracting prior to entering into a subcontract
- Minor modifications to RUS Form 282 are permissible as long as they do not change the terms and conditions of the primary contract
- Subcontracts are not subject to RUS approval provided that they are in accordance with the provisions of the appropriate RUS contract
- Non-RUS subcontract must be used to subcontract work included in a Non-RUS contract

General Requirements

Contract Amendment

- Prior RUS approval is required to amend a contract if any one of the following conditions apply:
 - Changes in the terms and conditions of the contract, regardless of the amount
 - Changes to the scope of the contract, regardless of the amount
 - Amendment, by itself or including preceding amendments, increases the original contract price by 20% or more
 - Amendment increases the original contract price to exceed the bonding limit of \$250,000
- Additional details regarding amendments will be covered under each section

General Requirements

Contract Amendment Forms

- RUS Form 238, ***Construction or Equipment Contract Amendment*** shall be used for amending RUS Forms 395, ***Equipment Contract*** and RUS Form 257, ***Contract to Construct Buildings***
- RUS Form 526, ***Construction Contract Amendment*** shall be used for amending RUS Form 515, ***Telecommunications System Construction Contract***
- RUS Standard form to amend the RUS Form 217, ***Post-loan Services Engineering Contract***, is currently under development; however, Awardee can use a non-RUS amendment form in the interim
- Non-RUS amendment form shall be used to amend a Non-RUS Contract
- All executed amendments require RUS approval

General Requirements

Affiliated Transactions

- “Affiliate” or “Affiliated Company” of any specified person or entity means any other person or entity directly or indirectly controlling of, controlled by, under direct or indirect common control with, or related to, such specified person or entity, or which exists for the sole purpose of providing any service to one company or exclusively to companies which otherwise meet the definition of affiliate.
- With regard to the Project, the Awardee shall not enter into any transaction, contract, or dealing with an Affiliate of the Awardee or with the Awardee’s or Affiliate’s directors, trustees, officers, managers, members (if the Awardee is a limited liability company), or other corporate officials, **without the prior written consent of RUS**
- RUS' consent to advance award funds or approve the expenditure of matching funds or “Other Funds” required for project completion, for affiliated transactions will be limited to an amount which is the **lower of cost or market rate** and which is subject to verification by RUS and its representatives having access to the books and records of the Affiliate

General Requirements

Affiliated Transactions

- Request from the Awardee should cover the following;
 - Description of the work to be performed, including location, scope, and estimated cost
 - Name of Affiliate and relationship to the Awardee
 - Proposed contracting form (RUS Contract Form or Non-RUS Contract) that will be used for the work to be performed by the Affiliate
 - Description of Affiliate's workforce, experience and capability to perform the work as described in request
 - Justification to use the Affiliate rather than a Contractor

General Requirements

Affiliated Transactions

- General conditions of RUS approval:
 - All charges by the Affiliate must be at cost
 - A market rate analysis must be provided by the Awardee prior to entering into an agreement with the Affiliate **and** at contract closeout to demonstrate that the Affiliate's rates are lower than the market rate
 - An acceptable market rate analysis includes, for example, 3 different construction projects that were bid within a year in the general vicinity of the construction area
 - Insurance requirements stated in 7 CFR 1788, Subpart C
 - Contractor's licensing requirements if a license is required in the state(s) where the construction will take place
 - "Buy American" requirement stated in 7 CFR Part 1787
 - Compliance with civil rights and EEO requirements

General Requirements

Records

- Records supporting all assets financed by RUS must be retained until audited and approved by RUS
 - Support documents required for all expenditures, advances, and disbursements
 - Include, but not limited to, contracts, 3rd party invoices, timesheets, payroll records, material records, overhead allocation records, summary schedules, etc.
- Records related to plant-in-service must be retained until:
 - Facilities are permanently removed from service
 - All removal and restoration activities are completed
 - All costs are retired from the accounting records

General Requirements

- **Construction Schedule**

- Awardee can start construction upon its acceptance of the ReConnect offer **and** when notified by RUS the environmental review has concluded
- 5-year construction period starts from the “Release of Funds Date”

Professional Services



Professional Services

Awardees shall obtain professional services only from persons or firms who are not affiliated with, and have not represented a contractor, vendor or manufacturer who may provide labor, materials, or equipment to the Awardee under any current award

- **Professional Services:**
 - Engineering Services
 - Outside Consultant
 - In-house Engineering
 - Architectural Services
 - Other Professional Services

Professional Services

Engineering Services

All engineering services, including inspection and certification, required on the ReConnect project shall be rendered by:

Outside Consultant (Engineering Firm)

AND/OR

In-house Engineering (Qualified Employees of the Awardee **approved** by RUS)

Professional Services

Engineering Services: Outside Consultant

- Must be must be registered in the state(s) where the facilities will be located
- Services must be included under one of the following contracts:
 - RUS Form 217, ***Post-Loan Engineering Services Contract***
 - RUS Form 245, ***Engineering Service Contract Special Services – Telephone*** contract
 - Non-RUS contract
- Services can be included under a single or multiple contracts
- No requirement for competitive procurement unless the Awardee is a Non-federal Entity

Professional Services

Engineering Services: In-house Engineering

- Awardee must request RUS approval to provide any In-house engineering services on the project
- When the proposed work is such that the engineering involved is within the capabilities of the employees on the Awardee's staff, Awardees may request RUS approval to provide such services.

Professional Services

Engineering Services: In-house Engineering Request

- The request must be submitted by an authorized representative of the Awardee and shall include the following information:
 - A description of services to be performed
 - Name and qualifications of the employee that will be in charge in of providing these services. Employee must meet the State experience requirements for a registered engineer or in absence of requirements, must have 8 years of design and construction experience in broadband networks, with at least 2 years at the supervisory level
 - Names, qualifications, and responsibilities of other principal employee(s) who will be associated with providing the In-house engineering services
 - Awardee's intent to use ReConnect project funds for In-house engineering services
- RUS will notify the Awardee of its approval or disapproval of the In-house engineering request

Professional Services

Engineering Services: In-house Engineering Proposal (IEP)

- Once RUS approves the In-house engineering request, the Awardee can submit an IEP for approval
- The IEP will be required if project funds will be requested to reimburse the cost of the In-house engineering services as they are incurred
- The IEP is not required if the In-house engineering services are associated only with Small-Scale Construction. These services can be reimbursed under the Small-Scale Construction reimbursement method.
- The IEP can be for the entire project or can be separated by service area or types of services
- The IEP must include the following information for each employee that will be performing the In-house engineering services:
 - Detailed description of tasks to be performed over the 5-year build-out period
 - Hourly rate for each task (direct costs only)
 - Total number of hours required to complete each task
 - Total cost of each task (hourly rate X number of hours)

Professional Services

Architectural Services

- Architect must be registered in the state(s) where the facilities will be located
- Services must be included under one of the following contracts:
 - RUS Form 217, ***Post-Loan Engineering Services Contract***
 - RUS Form 220, ***Architectural Services Contract***
 - Non-RUS contract
- No requirement for competitive procurement unless the Awardee is a Non-federal Entity

Professional Services

Other Professional Services

- Environmental, Rights-of-way Procurement, Mapping, etc.
- License may be required depending on the type of service
- Contract Forms:
 - RUS Form 245, ***Engineering Service Contract Special Services – Telephone***
 - Non-RUS contract

Professional Services

Contract Approval

- Scanned or electronic copy of the executed RUS Forms 217, 220, 245 or Non-RUS contract must be submitted for RUS approval
- Awardee will be notified by RUS upon approval of the contract
- RUS will not approve the contract, if in RUS' judgment:
 1. Unacceptable modifications have been made to the contract
 2. The contract will not accomplish award purposes
 3. The fees included in the contract are unreasonable
 4. The contract presents unacceptable award risk to RUS

Professional Services

Contract Amendment

- Changes in scope or services require an amendment to the contract
- RUS approval may be required prior to amending the contract (Refer to Contract Amendments slide under the General Requirements)
- RUS Standard form to amend the RUS Form 217, ***Post-loan Services Engineering Contract***, is currently under development; however, in the interim, Awardee can use a Non-RUS amendment form
- Scanned or electronic copy of the executed contract amendment must be submitted for RUS approval
- Awardee will be notified by RUS upon approval of the contract amendment

Professional Services

Contract Closeout

- Contract closeout can occur once all the services and obligations required under the contract have been completed
- Scanned or electronic copy of signed closeout form must be submitted for approval:
 - RUS Form 284, ***Final Statement of Cost for Architectural Service***, to closeout RUS Form 220
 - RUS Form 506, ***Final Statement of Engineering Fees – Telecommunications***, to closeout RUS Form 217
 - Similar certification to closeout RUS Form 245 or a Non-RUS Contract
- Awardee will be notified by RUS upon approval of the contract closeout
- Awardee shall make the final payment to the Engineer/Architect in accordance with the terms and conditions of the contract

Purchase and Installation of Equipment



Purchase and Installation of Equipment

General – Equipment Purchase

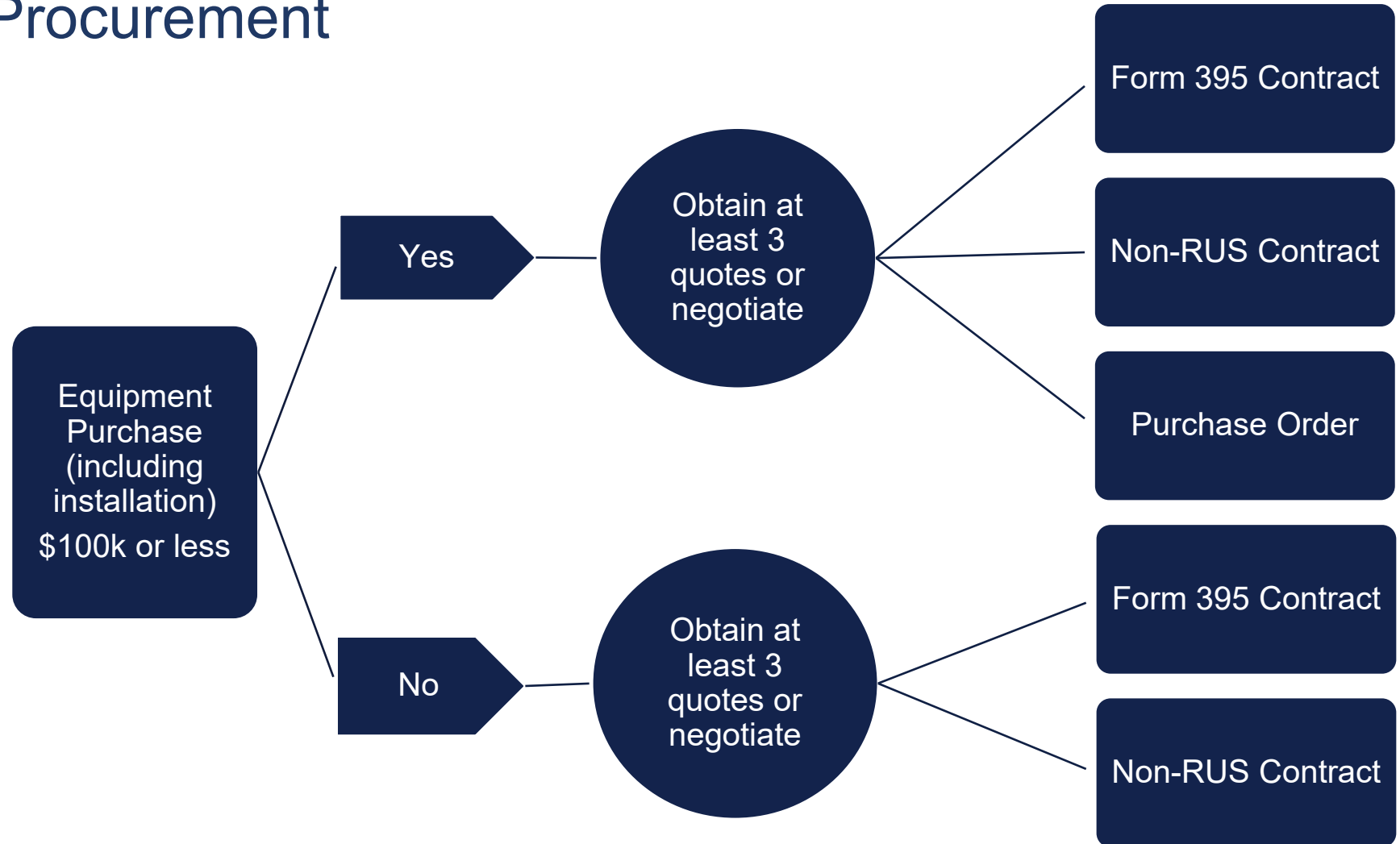
- Equipment purchases, including installation, estimated to be **\$100,000 or less** can be purchased using the following methods:
 - Purchase Order and reimbursed under the “Small-Scale Construction” procedure
 - RUS Form 395, ***Equipment Contract***
 - Non-RUS contract
- Equipment purchases, including installation, **estimated to be over \$100,000** can be purchased using the following methods:
 - RUS Form 395, ***Equipment Contract***
 - Non-RUS contract

Purchase and Installation of Equipment

General - Equipment Installation

- Installation work for equipment purchased under the RUS Form 395 or a Non-RUS contract can be included in the same contract or done separately
- If installation work will be done separately, Awardee can use the following two methods and request reimbursement under the “Small-Scale Construction” procedures
 - Awardee’s Internal workforce – RUS approval is not needed
 - RUS Form 773, ***Miscellaneous Construction Work and Maintenance Services Contract*** or Non-RUS contract – RUS approval is needed
 - Request from the Awardee shall include:
 - Name of the contractor
 - Type of installation work that will be done
 - Type of contract that will be used
 - Total estimated cost of the installation work

Equipment Procurement



Purchase and Installation of Equipment

Procurement Method

- Non-Federal Entity must comply with **Procurement Standards** in 2 CFR 200
- All other entities must follow the procedures below when using RUS Form 395 or a Non-RUS contract:
 - Engineer prepares performance specifications and installation requirements, along with the respective contract, and releases them to prospective contractors
 - Awardee obtains quotes from at least three different contractors; however, an Awardee can also elect to negotiate with a single contractor for purposes of standardization or compatibility
 - Once a contractor has been selected, the Awardee can execute the contract

Purchase and Installation of Equipment

Contract Approval

- Scanned or electronic copy of the executed RUS Form 395 or Non-RUS contract, including performance and installation requirements (if applicable), must be submitted for RUS approval
- Awardee will be notified by RUS upon approval of the contract
- RUS will not approve the contract, if in RUS' judgment:
 1. Unacceptable modifications have been made to the contract
 2. The contract will not accomplish award purposes
 3. The fees included in the contract are unreasonable
 4. The contract presents unacceptable award risk to RUS

Purchase and Installation of Equipment

Contract Amendment

- Equipment or price changes require an amendment to the contract
- RUS approval may be required prior to amending the contract (Refer to Contract Amendments slide under the General Requirements)
- RUS Form 238, **Construction or Equipment Contract Amendment**, or a Non-RUS contract amendment reflecting the changes, must be executed by the Awardee and the Contractor
- Scanned or electronic copy of the executed contract amendment must be submitted for RUS approval
- Awardee will be notified by RUS upon approval of the contract amendment

Purchase and Installation of Equipment

Contract Closeout

- Contract closeout can occur after equipment has been installed, tested, and meets the performance and installation requirements
- Documents required to closeout RUS Form 395 are listed in the ***ReConnect Construction Procedures***
- Scanned or electronic copy of the RUS form 756, ***Contract Closeout Certification***, or a similar certification for a Non-RUS contract, must be submitted to RUS for approval
- Awardee will be notified by RUS upon approval of the contract closeout
- Awardee shall make the final payment to the contractor in accordance with the terms and conditions of the contract

Outside Plant Construction



Outside Plant Construction

General

- Outside Plant projects estimated at **\$1 million or less**, including all labor and materials, can be constructed using the following methods:
 - RUS Form 773, ***Miscellaneous Construction Work and Maintenance Services Contract***
 - RUS Form RUS Form 515, ***Telecommunications System Construction Contract***
 - Non-RUS contract
 - Awardee's Internal Workforce
- Outside Plant projects estimated to **exceed \$1 million**, including all labor and materials, can be constructed using the following methods:
 - RUS Form RUS Form 515, ***Telecommunications System Construction Contract***
 - Non-RUS contract

Outside Plant Construction

Plans & Specifications (P&S)

- Requirements for the preparation of P&S are stated in the ***ReConnect Program Construction Procedures***
- RUS Form 787, ***Supplement A to Construction Contract RUS Form 515***, should be used if the Awardee will be providing any owner-furnished materials under RUS Form 515
- P&S Approval
 - Outside Plant projects estimated at **\$1 million or less**, including all labor and materials
 - RUS approval of the P&S **is not** required
 - Outside Plant projects estimated to **exceed \$1 million**, including all labor and materials
 - RUS approval of the P&S **is** required
 - RUS will notify the Awardee if approval of the P&S is withheld
 - Awardees can solicit bids or negotiate upon receipt of written approval per the instructions in the ***ReConnect Program Construction Procedures***

Outside Plant Construction

Procurement Methods

- Non-Federal Entity must comply with **Procurement Standards** in 2 CFR 200
- All other entities shall follow the methods below:
 - Negotiated Procurement – covered in the next few slides
 - Sealed Competitive Bidding – follow the procedures in the ***ReConnect Program Construction Procedures***

Outside Plant Construction

Procurement Methods – Negotiated (100% Loan Award)

Contracts funded with loan funds

- Awardee can elect to negotiate with a single contractor or multiple contractors
- Prior RUS approval is not required to negotiate; however, Awardee must notify RUS of its intent to negotiate
- Notification to RUS must include the following:
 - Total estimated cost of the construction
 - Name of the contractor(s)
 - Construction covered under a new contract or an amendment to an existing contract

Outside Plant Construction

Procurement Methods – Negotiated (50/50 Loan Grant Combinations)

Contracts funded with loan/cash substitution funds

- Awardee can elect to negotiate with a single contractor or multiple contractors
- Prior RUS approval is not required to negotiate; however, Awardee must notify RUS of its intent to negotiate
- Notification to RUS must include the following:
 - Total estimated cost of the construction
 - Name of the contractor(s)
 - Construction covered under a new contract or an amendment to an existing contract
- Grant funds may **not be used to fund or supplement contracts** that have not been competitively bid
- Any future amendment to the contract **must be funded** by loan funds or “Other Funds, if all loan funds have been advanced

Outside Plant Construction

Procurement Methods – Negotiated (50/50 Loan Grant Combinations)

Contracts funded with grant funds

- Prior RUS approval is required to negotiate contracts that will be funded by grant funds or a combination of loan/grant funds
- Grant funds may not be used for contracts that have not been competitively bid unless the Awardee has received RUS' approval to negotiate
- Request for negotiation shall include:
 - Total estimated cost of the construction
 - Name of the contractor
 - Rationale and/or necessity for negotiating the construction work vs. competitively bidding
 - Construction covered under a new contract or an amendment to an existing contract

Outside Plant Construction

Procurement Methods – Negotiated (100% Grant Award)

Contracts funded with matching funds

- Awardee can elect to negotiate with a single contractor or multiple contractors
- Prior RUS approval is not required to negotiate; however, Awardee must notify RUS of its intent to negotiate
- Notification to RUS must include the following:
 - Total estimated cost of the construction
 - Name of the contractor(s)
 - Construction covered under a new contract or an amendment to an existing contract
- Grant funds **may not be used to fund or supplement** contracts that have not been competitively bid
- Any future amendment to the contract **must be funded** by matching funds or “Other Funds”, if all matching funds have been approved and expended

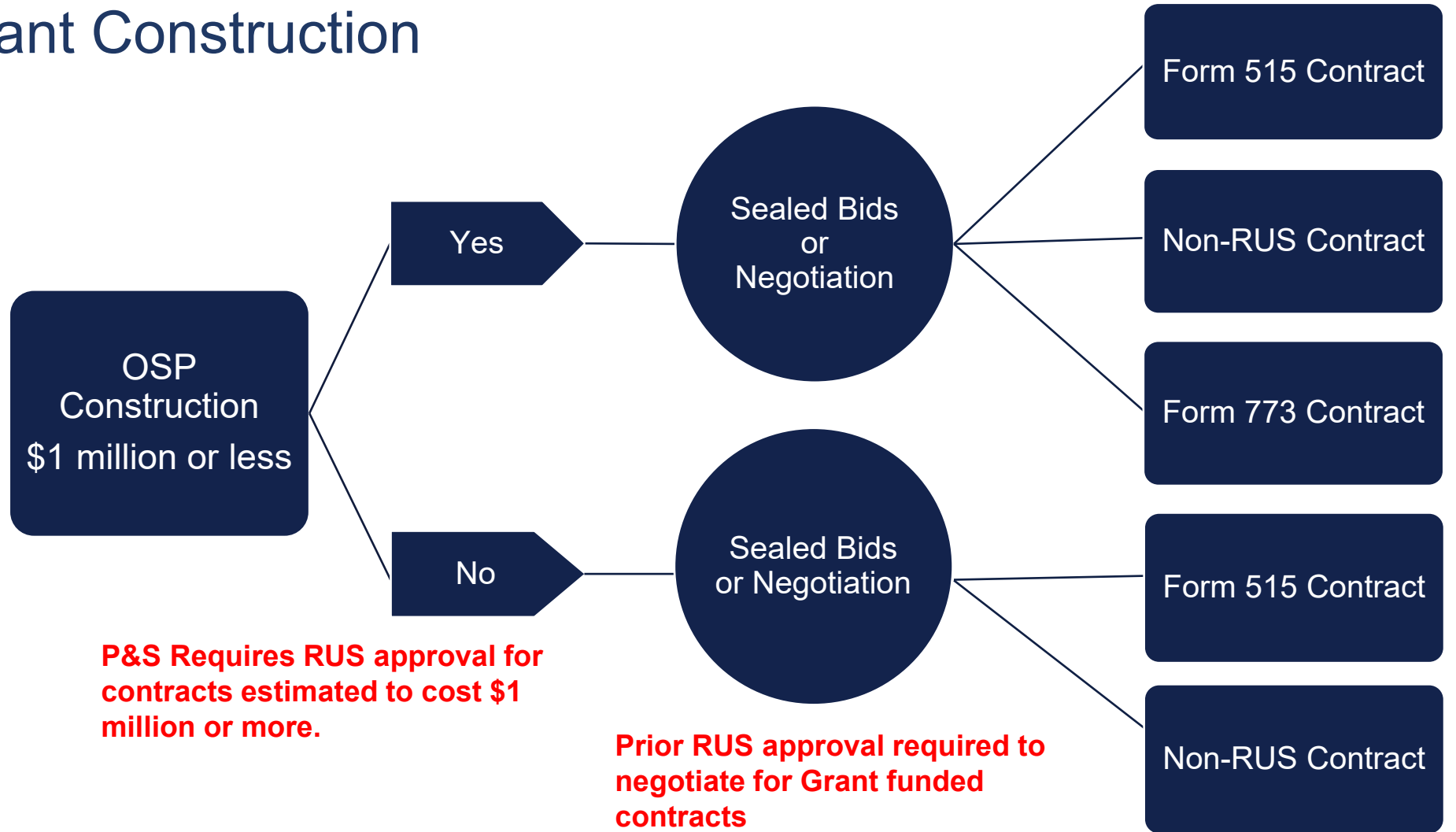
Outside Plant Construction

Procurement Methods – Negotiated (100% Grant Award)

Contracts funded with grant funds

- Prior RUS approval is required to negotiate contracts that will be funded by grant funds
- Grant funds may not be used for contracts that have not been competitively bid unless the Awardee has received RUS' approval to negotiate
- Request for negotiation shall include:
 - Total estimated cost of the construction
 - Name of the contractor
 - Rationale and/or necessity for negotiating the construction work vs. competitively bidding
 - Construction covered under a new contract or an amendment to an existing contract

Outside Plant Construction



Outside Plant Construction

Contract Approval

- Scanned or electronic copy of the executed RUS Form 515 or Non-RUS contract, including plans and specifications, must be submitted for RUS approval
- Awardee will be notified by RUS upon approval of the contract
- RUS will not approve the contract, if in RUS' judgment:
 1. Unacceptable modifications have been made to the contract
 2. The contract will not accomplish award purposes
 3. The fees included in the contract are unreasonable
 4. The contract presents unacceptable award risk to RUS

Outside Plant Construction

Contract Amendment

- Price or scope changes require an amendment to the contract
- RUS approval may be required prior to amending the contract (Refer to Contract Amendments slide under the General Requirements)
- RUS Form 526, **Construction Contract Amendment**, or a Non-RUS contract amendment reflecting the changes, must be executed by the Awardee and the Contractor
- Scanned or electronic copy of the executed contract amendment must be submitted for RUS approval
- Awardee will be notified by RUS upon approval of the contract amendment

Outside Plant Construction

Contract Closeout

- Contract closeout can occur once all acceptance tests and inspections are completed, and all deficiencies corrected
- Documents required to closeout RUS Form 515 are listed in the ***ReConnect Program Construction Procedures***
- Scanned or electronic copy of the RUS form 756, ***Contract Closeout Certification***, or a similar certification for a Non-RUS contract, must be submitted to RUS for approval within 30 days
- Awardee will be notified by RUS upon approval of the contract closeout
- Awardee shall make the final payment to the contractor in accordance with the terms and conditions of the contract

Building Construction



Building Construction

- **General**

- All construction pertaining to the building structure must be performed under a single contract
- RUS Form 257, ***Contract to Construct Buildings***, or a Non-RUS contract must be used for new building construction
- Non-RUS contract must be used for all unattended buildings estimated to cost **over \$100,000**
- RUS Form 773, ***Miscellaneous Construction Work and Maintenance Services Contract***, must be used for all unattended buildings estimated to cost **\$100,000 or less**, and all building improvements regardless of the amount
 - Awardee should follow Small-Scale Construction Procedures to request reimbursement

Building Construction

Plans and Specifications (P&S)

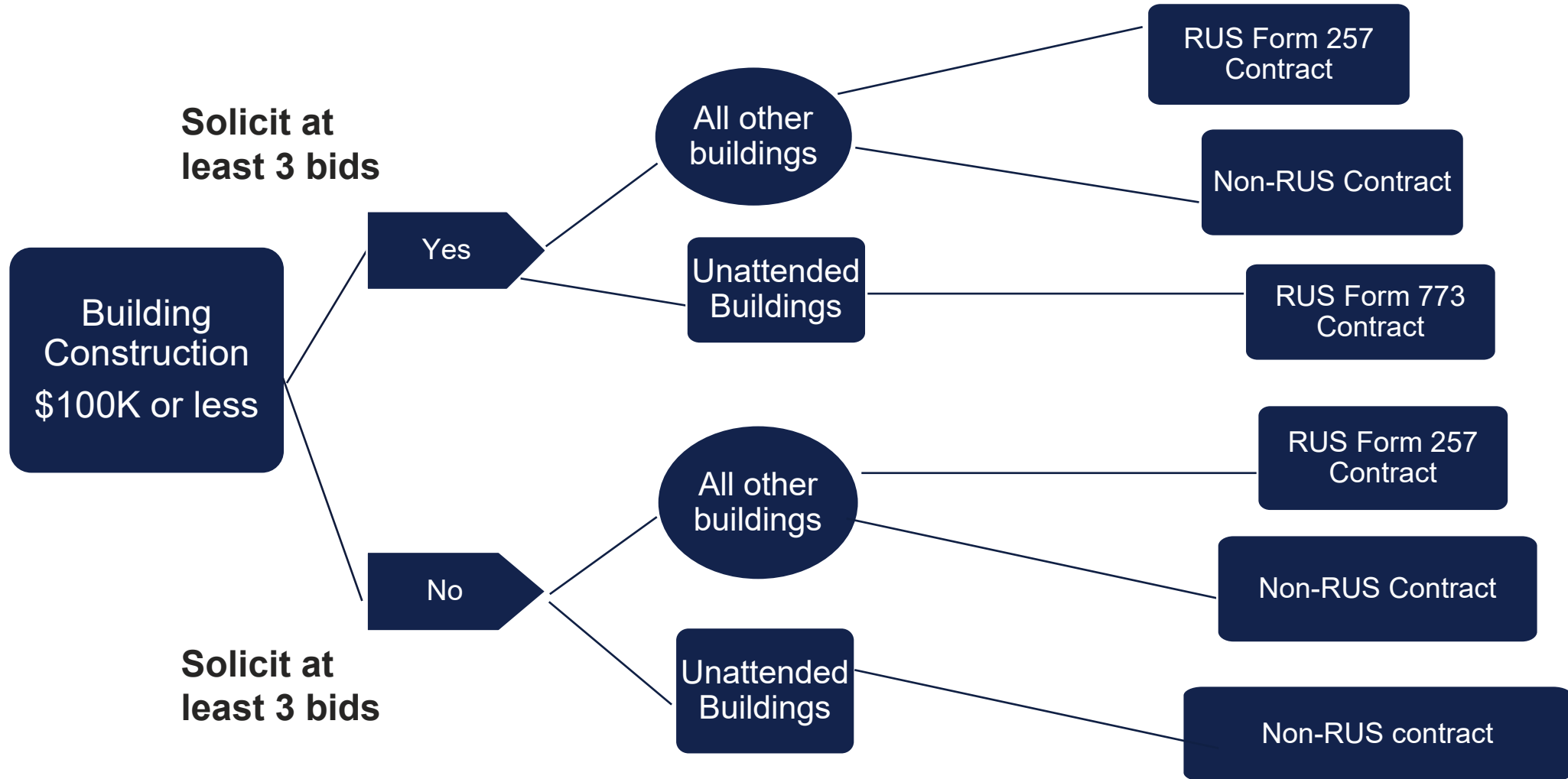
- Requirements for the P&S are provided in the ***ReConnect Program Construction Procedures***
- P&S for all new building construction must be submitted to RUS for approval

Awardee must solicit bids for all building construction contracts

- Contract award is subject to conditions detailed in the ***ReConnect Program Construction Procedures***

Building Construction

RUS approval of P&S required for all Building construction projects



Building Construction

Contract Approval

- Scanned or electronic copy of the executed RUS Form 257 or Non-RUS contract, including plans and specifications, must be submitted for RUS approval
- Scanned or electronic copy of the Non-RUS contract used for unattended buildings estimated to cost more than \$100k, must be submitted for RUS approval
- Awardee will be notified by RUS upon approval of the contract
- RUS will not approve the contract, if in RUS' judgment:
 1. Unacceptable modifications have been made to the contract
 2. The contract will not accomplish award purposes
 3. The fees included in the contract are unreasonable
 4. The contract presents unacceptable award risk to RUS

Building Construction

Contract Amendment

- Price or scope changes require an amendment to the contract
- RUS approval may be required prior to amending the contract (Refer to Contract Amendments slide under the General Requirements)
- RUS Form 238, **Construction or Equipment Contract Amendment**, or a Non-RUS contract amendment reflecting the changes, must be executed by the Awardee and the Contractor
- Scanned or electronic copy of the executed contract amendment must be submitted for RUS approval
- Awardee will be notified by RUS upon approval of the contract amendment

Building Construction

Contract Closeout

- Contract closeout can occur once the work has been completed and all deficiencies corrected
- Documents required to closeout RUS Form 257 are listed in the ***ReConnect Program Construction Procedures***
- Scanned or electronic copy of the RUS form 756, ***Contract Closeout Certification***, or a similar certification for a Non-RUS contract, must be submitted to RUS for approval within 30 days
- Awardee will be notified by RUS upon approval of the contract closeout
- Awardee shall make the final payment to the contractor in accordance with the terms and conditions of the contract

Tower Construction



Tower Construction

General

- RUS Form 773, ***Miscellaneous Construction Work and Maintenance Services Contract***, or a non-RUS contract should be used for the construction of all new towers and any improvements on existing towers
- If construction requires the use of subcontractors, awardee must use a Non-RUS contract since RUS Form 773 does not support subcontracting activities

Plans and Specifications (P&S)

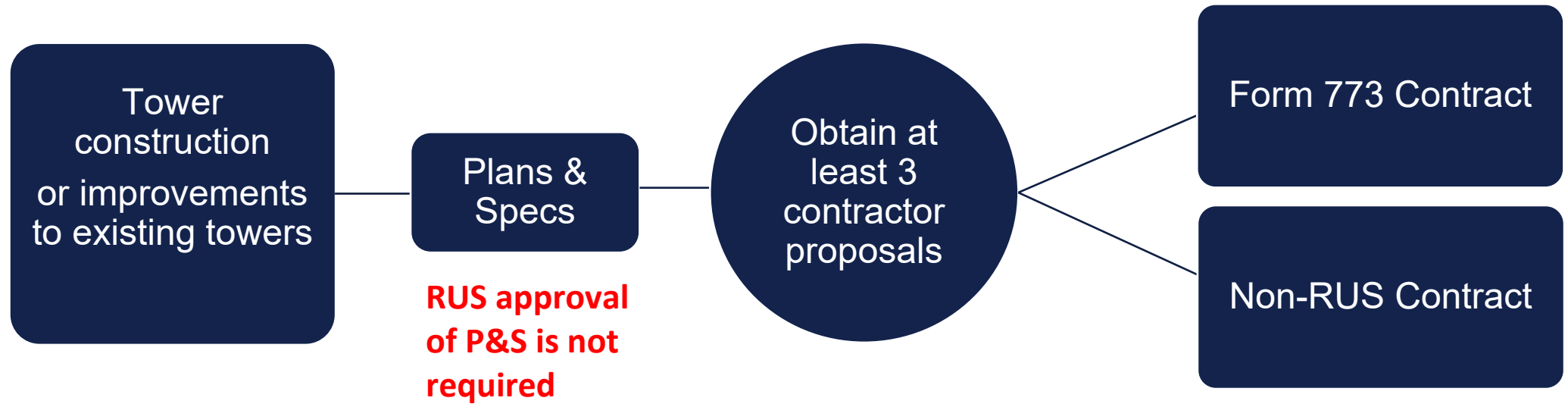
- Requirements for the P&S are provided in the ***ReConnect Construction Procedures***
- RUS approval of P&S is not required
 - Awardee should obtain at least 3 contractor proposals
 - Neither the selection of the contractor nor proposal require RUS approval

Tower Construction

Contract Approval

- Scanned or electronic copy of RUS Form 773,, ***Miscellaneous Construction Work and Maintenance Services Contract***, or Non-RUS Contract must be submitted for RUS approval
- Contractor's bond required if contract amount exceeds \$250,000
- Awardee will be notified by RUS upon approval of the contract
- RUS will not approve the contract, if in RUS' judgment:
 1. Unacceptable modifications have been made to the contract
 2. The contract will not accomplish award purposes
 3. The fees included in the contract are unreasonable
 4. The contract presents unacceptable award risk to RUS

Tower Construction



Tower Construction

Contract Closeout

- Contract closeout can occur once the construction has been completed per the plans & specifications and a final inspection has been performed by the Engineer
- Final invoice and an executed copy of RUS Form 743, ***Certificate of Contractor and Indemnity Agreement***, must be obtained from the Contractor when using RUS Form 773
- Scanned or electronic copy of the RUS form 756, ***Contract Closeout Certification***, or a similar certification for a Non-RUS contract, must be submitted to RUS for approval within 30 days
- Awardee will be notified by RUS upon approval of the contract closeout
- Awardee shall make the final payment to the contractor in accordance with the terms and conditions of the contract

Small-Scale Construction



Small-Scale Construction

Small-Scale Construction Methods

- Small-Scale Construction may be performed by either method below or in combination with other RUS Standard Contracts (257, 395, 515) or Non-RUS Contracts:
 - RUS Form 773, **Miscellaneous Construction Work and Maintenance Services Contract**
 - Work Order (Internal Workforce)

Small-Scale Construction Maximum Limits

- Network & Access Equipment - \$100,000; however, no limit on installation costs associated with equipment purchased under RUS Form 395, **Equipment Contract**, or Non-RUS contract
- Outside Plant - \$1,000,000
- Buildings - \$100,000 for unattended buildings; however, no limit on building improvements
- Tower Construction – No limit

Small-Scale Construction

RUS Form 773 Method

- No limit on the amount of construction that can be done on an annual basis
- All drawings, sketches, lists of materials, list of units, descriptions of work, references to appropriate standards, specifications, etc., as well as required certifications must be attached to the contract
- Compensation may be based upon unit prices, hourly rates, or another basis agreed to in advance by the Awardee and the Contractor
- Contractor's bond is required if the contract amount, including labor & materials, exceeds \$250,000
- No provisions for sub-contracting or amending any work under the contract

Small-Scale Construction

RUS Form 773 Method

- Awardees **must** follow the “Negotiated Procurement Method” under the Outside Plant Construction section of the ***Reconnect Construction Procedures*** if they intend to negotiate with a single contractor to perform the construction
- Awardees should obtain quotations from several contractors before entering into a contract to be assured of obtaining the lowest cost
- Contractor must meet all federal and state licensing requirements
- Contractor must maintain the insurance coverage required by the contract for the duration of the work as per 7 CFR Part 1788
- Upon completion of the work, final inspection must be completed by the engineering firm (outside consultant) or an employee on the Awardee’s staff that is approved by RUS
- Upon completion of the final inspection, Awardee obtains final invoice and executed RUS Form 743, ***Certificate of Contractor and Indemnity Agreement***, from the Contractor

Small-Scale Construction

Work Orders (Internal Workforce) Method

- Work order means any work performed by the Awardee's workforce, pursuant to its work order procedure, with the awardee furnishing all the materials, equipment, tools, and transportation
- Work order construction must be performed to all local, state, and Federal requirements
- Daily timesheets and material reports, referenced by work project numbers, must be kept to record the labor and materials used for the work order
- Upon completion of the work, final inspection must be completed and inspected by the engineering firm (outside consultant) or an employee on the Awardee's staff that is approved by RUS

Small-Scale Construction

Small-Scale Construction - Closeout

- RUS Form 771a, **Summary of Work Orders**, must be completed properly and certified by an authorized representative of the Awardee and a licensed engineer, or an employee on the Awardee's staff that is approved by RUS
- Only completed work orders for the ReConnect project must be listed on the RUS Form 771a
- Each work order must include the costs for **both** Labor and Materials; if not, an explanation needs to be provided
- RUS Form 771a must be provided to the RUS General Field Representative (GFR) for review
- The following information must also be provided for each work order listed on the RUS Form 771a:
 1. A brief description of work performed
 2. Location where work was performed (adequate details must be provided for service area and environmental review verification)
 3. Method of construction (773 contract and/or Internal Workforce)
 4. Date the work was completed
 5. Explanation(s) of costs listed in Column (g) of RUS Form 771a

Small-Scale Construction

Small-Scale Construction – GFR Review

- GFR may require additional information such as contracts, invoices, timesheets, etc. to support the amounts shown on the RUS Form 771a
- GFR may inspect all or some of the work order projects listed on the RUS Form 771a
- Upon completion of the review, GFR will sign the RUS Form 771a and return it to the Awardee or submit it along with the accompanying RUS Form 481, ***Financial Requirement Statement (FRS)***
- Additional information will be covered under the “Construction Monitoring” presentation

Small-Scale Construction

Small-Scale Construction – Reimbursement

- Unless otherwise approved by RUS, the Awardee shall finance all Small-Scale Construction with Non-award funds and obtain reimbursement with ReConnect award funds when the work is completed
- RUS Form 771a and supporting details, reviewed by the GFR, must be submitted to request reimbursement of Small-scale Construction work orders on the FRS
- Small-scale Construction “work orders are requested on the FRS as “**Approved Work Orders**”





United States
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