



Rural Development

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Rural Utilities Service

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USDA Rural Utilities Services Telecommunications Program Announces Subcontract Waiver Approval

This notice is waiving the requirement to submit subcontracts for RUS approval under the RUS Infrastructure Program.

The Infrastructure Program's construction procedures are governed by 7 CFR 1753. Section 1753.9 implements a requirement that all subcontracts to any of the RUS construction contracts must be approved by RUS.

7 CFR 1753.9(d), which provides that: "[a]s stated in the contract, construction shall not be performed by the subcontractor before approval of the subcontract by RUS." Also noteworthy is the immediate subparagraph before, subparagraph (c), which states that: "[a]s stated in contract Forms 257, 395, and 515, the contractor shall bear full responsibility for the acts and omissions of the subcontractor and is not relieved of any obligations to the borrower and to the Government under the contract."

The RUS Administrator is waiving the requirement under 7 CFR 1753.9(d) to submit subcontracts for RUS approval. Please note that the RUS borrower must still approve the subcontract and receive the approval of the surety if the contract was bonded. In addition, although RUS will no longer approve the subcontracts, the total amounts of the subcontracts for any specific contract cannot exceed the 50% cap identified in 7 CFR 1753. Only the requirement to submit the subcontracts for RUS approval is being waived. All other requirements are still being enforced.