

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.

(iii) Ensure that all the required inspections and tests are made.

(4) *Engineer's responsibilities.* (i) Inspect and inventory construction as completed.

(ii) Require timely corrections and cleanup.

(iii) Perform acceptance tests as construction is completed.

(iv) Provide "as built" staking sheets of completed construction when the final inspections are made.

(v) Maintain accurate and current inventories of completed construction.

(5) *Construction supervisor's responsibilities.* (i) Correct construction errors as construction progresses.

(ii) Maintain an accurate inventory of completed construction.

(iii) Perform cleanup as construction is completed.

(iv) Perform all the inspections and acceptance tests a contractor would be required to make under the construction contract.

(v) Promptly perform cleanup required after final inspection.

§ 1753.58 Closeout documents.

(a) *General.* (1) This section outlines the procedure to be followed in the preparation of closeout documents for the FAP.

(2) The period between the completion of construction and submission of the closeout documents to RUS should not exceed 60 days.

(b) *Documents.* The documents required to close the FAP are listed in the following table. The following is a brief description of the closeout documents:

DOCUMENTS REQUIRED TO CLOSE OUT FORCE ACCOUNT OUTSIDE PLANT CONSTRUCTION

RUS Form No.	Description
817, 817a, 817b	Final Inventory Force Account Construction and Certificate of Engineer. Submit one copy to RUS, if required ¹
213	Certificate—"Buy American" (as applicable from each supplier).
None	Detail Maps.
None	Key map, if applicable.
None	Staking Sheets.
None	Tabulation of staking sheets.
None	Treated Forest Products Inspection Reports or Certificates of Compliance (prepared by inspection company or supplier).

¹ RUS Forms 817, 817a, and 817b are to be submitted to GFR only if required in paragraph (c)(5) of this section. Otherwise, the final inventory documents are to be assembled and retained by the borrower for at least two years.

(c) *Closeout procedures.* (1) The borrower shall notify the GFR when the project is ready for final inspection.

(2) The GFR shall be invited to make the final inspection accompanied by the engineer and the borrower.

(3) The borrower shall correct all deficiencies found during the final inspection.

(4) The borrower may request the assistance of an RUS field accountant to review the borrower's record of construction expenditures and assist the borrower with any accounting prob-

lems in connection with construction expenditures.

(5) After inspection, the final inventory documents shall be assembled as indicated in the table in this section. RUS Forms 817, 817a, and 817b are to be submitted to GFR only if the amount of the closeout exceeds the original force account proposal by 20% or more. Otherwise, the final inventory documents are to be assembled and retained by the borrower for at least two years.

(6) Upon approval of the closeout documents, RUS will notify the borrower

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of approval and of any adjustments to be made in funds advanced in connection with the construction.

(d) The above are not intended to be a complete description of the requirements of the documents relating to RUS's closeout procedure. Refer to the documents for additional requirements.

[55 FR 3572, Feb. 2, 1990. Redesignated at 55 FR 39397, Sept. 27, 1990, as amended at 64 FR 16610, Apr. 6, 1999]

§§ 1753.59–1753.65 [Reserved]

Subpart H—Purchase and Installation of Special Equipment

SOURCE: 54 FR 39267, Sept. 25, 1989, unless otherwise noted. Redesignated at 55 FR 39397, Sept. 27, 1990.

§ 1753.66 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 in purchasing and installing special equipment financed with loan funds.

(b) Terms used in this subpart are defined in §1753.2 and RUS Contract Forms 397 and 398.

(c) Special equipment purchased with loan funds must be included in the List of Materials Acceptable for Use on Telephone Systems of RUS Borrowers (See Bulletin 344-2) and meet RUS's standards and specifications (See 7 CFR part 1755) unless otherwise approved by RUS.

(d) Borrowers must obtain RUS review and approval of the LD for their telephone systems. Applications of special equipment not included in an approved LD must conform to the modernization plan as required by 7 CFR part 1751, subpart B, and must be submitted to RUS for review and approval.

(e) RUS Form 397 and applicable specifications shall be used for the purchase of special equipment for major construction on a furnish and install basis.

(f) RUS Form 398 and applicable specifications shall be used for the purchase of equipment for major construction on a furnish only basis. The procedures provided in subpart I, if applica-

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ble, or a FAP approved by RUS may be used for the installation of special equipment purchased with a Form 398 contract.

(g) For special equipment purchases for minor construction, the borrower may at its option use the Methods of Minor Construction procedures contained in subpart I or the purchase procedures contained in this subpart H.

(h) Some types of special equipment contain software. See subpart E for RUS software licensing requirements.

[54 FR 39267, Sept. 25, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, and amended at 58 FR 66259, Dec. 20, 1993; 59 FR 17464, Apr. 13, 1994]

§ 1753.67 Contracts and specifications.

(a) Special Equipment Contract, RUS Form 397 shall be used to purchase equipment on a furnish and install basis.

(b) Special Equipment Contract, RUS Form 398 shall be used to purchase equipment on a furnish only basis.

(c) The equipment specifications must accompany the selected contract form.

(1) Each specification consists of performance specifications, installation requirements (if applicable) and application engineering requirements.

(2) RUS specifications for the Special Equipment Contract are listed in 7 CFR part 1755.

§ 1753.68 Purchasing special equipment.

(a) *General.* (1) Equipment purchases are categorized as initial equipment purchase, equipment additions to existing systems and new system additions.

(i) An initial equipment purchase is a first time purchase by a borrower of a complete system of special equipment.

(ii) Equipment additions to existing systems are additions of components to complete operating systems to increase system capacity that require components made by the manufacturer of the existing system.

(iii) New system additions are purchases of complete systems of special equipment when the purpose can be accomplished either with equipment of the same type and manufacture as other complete operating systems in