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outside plant construction for the initial loan to a borrower.

(d) The Force Account Proposals (FAPs) are subject to review and approval by RUS.

(e) The FAP is approved by RUS on the basis of estimated labor and material costs. The FAP is closed based on the borrower's actual cost of performing the construction. RUS will provide loan funds only up to the amount determined by the completed assembly units priced at the unit prices in the approved FAP.

(Approved by the Office of Management and Budget under control number 0572-0062)

### § 1753.57 Procedures.

(a) *The request.* (1) The borrower shall submit to RUS a certified copy of the board resolution or a letter signed by an authorized corporate official requesting approval to use the force account method of construction. The request shall state the advantages of the force account method of construction and provide the following information:

(i) The scope of the construction to be undertaken, stating briefly the facilities and equipment to be installed and other pertinent data.

(ii) The name and qualifications of the construction supervisor who will be directly in charge of construction, the names and qualifications of the construction foremen, and the availability of qualified construction personnel. The construction supervisor must have at least 5 years outside plant construction experience with at least 2 years at the supervisory level on RUS financed projects. Construction foremen must have at least 3 years of outside plant construction experience.

(iii) The availability of equipment for construction, exclusive of equipment needed for normal operation and maintenance.

(2) [Reserved]

(b) *Force Account Proposal (FAP).* Upon receiving RUS approval to use the force account method, the borrower, prior to any construction activity or the purchase of materials or equipment, shall submit to RUS two copies of its FAP. The FAP shall consist of:

(1) The RUS Contract Form 515 and appropriate supporting attachments

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that normally would be provided as plans and specifications for contract construction. See §1753.47.

(2) The cost estimate, using Form 515 as a convenient means of showing the following:

(i) The quantity and cost estimates of the various assembly units required. "Labor and other" cost will not include the cost of engineering, legal, and other professional services, interest during construction, preliminary survey and investigation charges, and right-of-way easement procurement costs.

(ii) A list identifying materials or construction for which loan funds will not be requested.

(3) The estimated completion time.

(c) *Storage of materials.* All materials ordered for the construction shall be stored separate from normal maintenance materials.

(d) *Construction—(1) Preconstruction conference.* The borrower shall arrange a conference, attended by the manager, construction supervisor, construction foremen, resident engineer and the GFR prior to the beginning of construction to clarify any questions pertaining to the construction. Notes of the conference shall be provided to each conference participant.

(2) *Construction schedule and progress reports.* The borrower shall obtain from the engineer a construction schedule and submit one copy to the GFR. The schedule shall include the starting date and a statement indicating that materials are either delivered or deliveries are assured to permit construction to 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.

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(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 <sup>1</sup>
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).

<sup>1</sup>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 problems 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 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]