

# 2017 IACC - Wenatchee



Rural Development (RD)

Engineering and Loan  
Process for Water and  
Wastewater



Rural Development – Community Programs

# Agenda

- Agency (RD) Overview
- Application Process
- Loan Preparation / Letter of Conditions (LOC)
- Project Construction Documents
- Project Procurement Process
- Awarding Process & Pre-Construction
- Construction
- Post Construction & Loan Servicing
- What's New
  - RDApplly – On-line Application Option
  - ePER
  - (AIS) - American Iron and Steel Requirements



# Community Programs (CP)

## Agency Overview

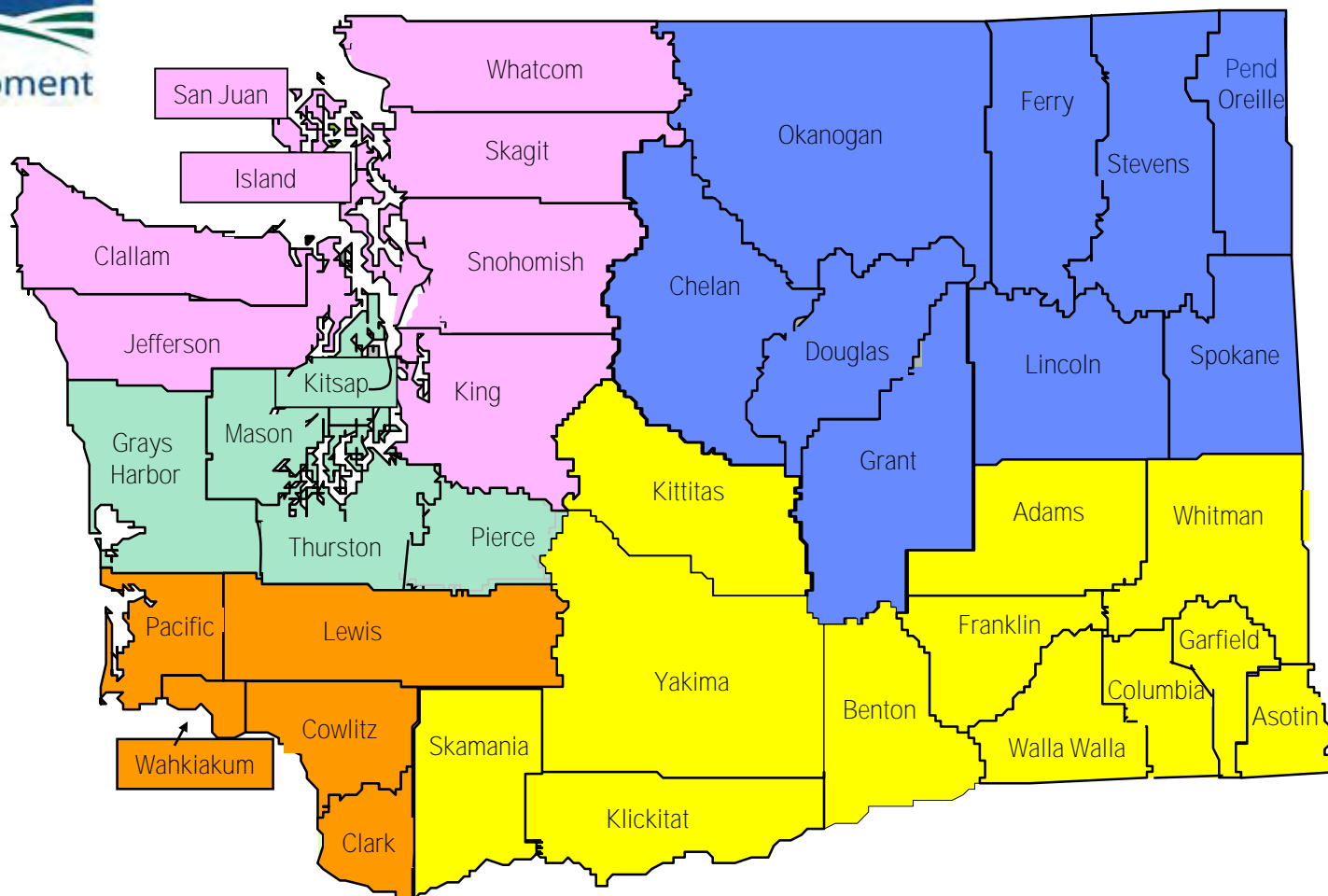
- CP consists of:
  - The Water & Environment Program (WEP)
  - The Community Facilities Program (CF)
- Staffing (State office in Olympia)
  - Peter McMillin                      Program Director
  - Janice Roderick                    State Loan Specialist
  - Paul Johnson                      State Environmental Coordinator (SEC)
  - David Dunnell                      State Engineer (Wenatchee)
  - Donald Watkins                    State Technician
  - Darla O’Conner                    Area Loan Specialist (Mount Vernon)
  - Ambrea Cormier                    Area Loan Specialist (Olympia)
  - Koni Reynolds                    Area Loan Specialist (Olympia)
  - Rick Rose                          Area Loan Specialist (Wenatchee)
  - Marti Canatsey                    Area Loan Specialist (Yakima)






# USDA RURAL DEVELOPMENT CONTACTS

## Rural Utilities and Community Facilities



  
Darla O'Connor  
(360) 488-4835

  
Ambrea Cormier  
(360) 704-7705

  
Koni Reynolds  
(360) 704-7727

  
Rick Rose  
(509) 663-4019x146

  
Marti Canatsey  
(509) 454-5740x138

[www.rd.usda.gov/](http://www.rd.usda.gov/)

# Community Programs (CP)

## Agency Overview

- **Loan Specialist - “Roles and Responsibilities”**
  - Work closely and cooperatively w/applicant, their representatives, other agencies and RD State Office personnel toward processing a complete application
  - Reviews and Originates Complete Application
  - Financial Analysis, Underwriting, Loan/Grant Determination
  - Coordinates with State RD Engineer & Environmental Coordinator
  - Submits recommendation to Program Director and State Loan Specialist for approval
  - Presents Funding Offer to applicant
  - Pay requests, interim financing – EFT disbursement
  - Project close out/ loan closing
  - Servicing, payment collection and annual reports



# Community Programs (CP)

## Agency Overview

- State Engineer – “Roles and Responsibilities”
  - Addresses Engineering Related Phases
    - Preliminary Engineer Report (PER) or equivalent
    - Engineering Agreement
    - Plans and Specification
    - Bid Awards
    - Pre Construction Conference
    - Executed Construction Contract Documents
      - RD Funds Released
    - Construction Management and Change Orders
    - Final Inspection and Construction Contract Closeout



# Application Process

## Elements of Application Package

- Key Elements of a Complete Application Package
  - Funding Application
    - by RD APPLY, new Web-based application
  - Financial Statements; Audits; Operating Budget
  - Test for other credit (2 letters from lenders)
  - Public announcement with meeting minutes and Affidavit of publication
  - Preliminary Engineering Report (PER)
  - Environmental Report (ER)
  - Prepare complete application be loaded and processed through RD underwriting program



Out Stage: ☐ Data Type ☐ Form

- Initial Contact
- Application
- Obligation
- Environmental
- Underwriting
- Loan & Grant Information

## Underwriting

<b>Loan Determination</b>		
Monthly Cost Per EDU .....		\$0.00
Number of EDU's .....		0
Bulk Cost/ 1,000 Gal or Cu Ft .....		\$0.00
Bulk User Income Per Month .....		\$0
Other Operating Income (Monthly) .....		\$0
<b>Operating Income (Annual) .....</b>		<b>\$0</b>
Non-Operating Income (Annual) .....		\$0
<b>Total Cash Available (Annual) .....</b>		<b>\$0</b>
O&M (Less Interest & Depreciation) (Annual) .....		\$0
Replacement Reserve - Short Lived Assets .....		\$0
Other Annual Expenses .....		\$0
Debt Service & Reserve .....		\$0
<b>Total Cash Outflow (Annual) .....</b>		<b>\$0</b>
<b>Balance Available For New Loan Payment .....</b>		<b>\$0</b>
Commerical Credit (Maximum Loan Amount) .....		\$0
USDA (Maximum Loan Amount) .....		\$0

<b>Project Funding Breakdown</b>		
Project Cost .....		\$128,000
Applicant Contribution .....		\$0
Other Funding Sources .....		\$128,000
Contribution Connection/Tap Fees .....		\$0
<b>USDA (Maximum Loan Amount) .....</b>		<b>\$0</b>
<b>Total USDA Grant Needed .....</b>		<b>\$0</b>
Maximum W&W Grant Amount .....		\$0

Data Entry Help

Find

### Underwriting

There is no user input on this screen. All data is system generated.  
 Blue amounts/numbers in the right column are hyperlinks. Click on the blue link to determine or edit the value shown on this screen.  
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# Application Process

## Elements of Application Package

- Environmental Report (ER) & NEPA
  - RUS Bulletin 1970A-602 Guide
    - Preparation of the Environmental Report (ER) for Water and Environmental Program Proposals
  - Consult with Loan Specialist to determine type of environmental needed. Do this early in the application stage.
  - Paul Johnson - State Environmental Coordinator (SEC) - review and approval



# Application Process

## Elements of Application Package

- Preliminary Engineering Report (PER)
  - Submitted with Funding Application
  - Or uploaded into RDApply if applicable
  - Instructions provided by:
    - RUS Bulletin 1780-2, Used for Water, Sewer, Storm and Solid Waste Facilities
    - Or new ePER (Web-based report following 1780-2 outline)
  - Establishes the Scope of Work, Costs, Design Parameters, and other important data



Rural Development – Community Programs

# Application Process

## Elements of Application Package

- Preliminary Engineering Report (PER) Content - RUS Bulletin 1780-2
  1. General
  2. Purpose
  3. How to Use the Interagency Template
- General Outline of a PER
  1. Project Planning Area
  2. Existing Facilities
  3. Need for Project
  4. Alternatives Considered
  5. Selection of an alternative
  6. Proposed Project (Recommended Alternative)
  7. Conclusions and Recommendation



# Application Process

## Elements of Application Package

- PER Alternative
  - State DOH / DOE equivalent reports augmented by a Simplified/Reduced PER
  - Simplified/Reduced PER
    - Cross reference common sections with State Equivalent Report
    - Only address those sections of the Bulletin 1780-2 not addressed in State Equivalent Report
- “WA State PER Guide” with Key Emphasis
  1. Number of System Connections at Start-up
  2. System Flows at Start-up
  3. List of Short Lived Assets (SLA)
  4. Updated Budget Estimate
  5. Updated O&M Budget Estimate
  6. Alternate construction items if bids \$ low (PER)



# Loan Preparation

## Letter of Conditions

- Key elements of LOC
  - Signs “Letter of Intent” to meet conditions (not a security instrument, only obligating funds)
  - Project Account: Budget and Funding Sources
  - Security for loan and repayment terms
  - Grant Agreement if applicable
  - Reserves: Debt Service and Short Lived Assets (SLA)
  - Interim financing requirements
  - Proposed Operating Budget and Rate Analysis
  - Environmental Mitigation Measures
  - Agreement for Services; Legal, Engineering, etc..
  - Construction Contract Document Requirements, ROW
  - Loan closing and servicing requirements
  - Authorizes Engineer to proceed with design and construction using **Agency Endorsed Construction Contracting Documents**



# Project Construction Documents

## Agency Endorsed Contract Document Requirements

- Project Construction Documents
- Engineering & Construction Contract Document
  - Applicant required to use Agency endorsed documents and forms when developing **Engineering and Construction Contracting Documents** for public works improvements to be funded in part or full
- Agency Endorsed Documents
  - (EJCDC) Engineers Joint Contract Documents Committee
  - Modified by RUS Bulletin 1780-26
  - Modified by RUS Bulletin 1780-35 American Iron and Steel (AIS)



# Project Construction Documents

## Agency Endorsed Contract Document Requirements

- Key Documents
  - **Owner – Engineer Agreement** using the **EJCDC E-500** modified by **RUS Bulletin 1780-26**
  - **Owner – Contractor Agreement** using the **EJCDC C-520** modified by **RUS Bulletin 1780-26**
  - **Both E-500 and C-520** modified by **RUS Bulletin 1780-35** addressing buy **American Iron Steel**
- Key Oversight
  - Contract Documents must be reviewed and approved prior to execution / payments
  - OGC may review any contract format other than EJCDC / Bulletin 1780-26 edition
  - Funds are released for any reimbursements only after Agency concurs with the Executed Construction Contract Documents



# Project Construction Documents

## Engineer Agreements

### Agency Endorsed Contract Document Requirements

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the controlling Laws and Regulations.

#### AGREEMENT BETWEEN OWNER AND ENGINEER FOR PROFESSIONAL SERVICES

Prepared by



Issued and Published jointly by



EJCDC® E-500, Agreement Between Owner and Engineer for Professional Services.  
Copyright © 2014 National Society of Professional Engineers, American Council of Engineering Companies,  
and American Society of Civil Engineers. All rights reserved.



- EJCDC E-500 (2014 edition)
- Agreement between Owner  
- Engineer for Professional  
Services
- Purchase from Sponsoring  
Organizations
  - ACEC, NSPE, ASCE, ~~AGCA~~
- Supersedes 2008 edition of the  
EJCDC E-500

Rural Development – Community Programs



# Project Construction Documents

## Engineer Agreements

### Agency Endorsed Contract Document Requirements

UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Utilities Service  
RUS BULLETIN 1780-26

**SUBJECT:** Guidance for the Use of Engineers, Joint Contract Documents Committee (EJCDC) Documents on Water and Waste Disposal Projects with RUS Financial Assistance

**TO:** Rural Development State Directors, RUS Program Directors, and State Engineers

**EFFECTIVE DATE:** Date of approval.

**OFFICE OF PRIMARY INTEREST:** Engineering and Environmental Staff, Water and Environmental Programs


**INSTRUCTIONS:** This Bulletin replaces RUS Bulletin 1780-26, dated April 11, 2014.


**AVAILABILITY:** This Bulletin, as well as any Rural Development instruction or Rural Utilities Service instructions, regulations, or forms referenced in this Bulletin are available at any Rural Development State Office. The State Office staff is familiar with the use of the documents in their States and can answer specific questions on Rural Development requirements.

This Bulletin is available on the Rural Utilities Service website at:  
<https://www.rd.usda.gov/publications/regulations-guidelines/bulletins/water-and-environmental>

**PURPOSE:** This Bulletin assists Rural Development staff in providing information and guidance to applicants and professional consultants in the development of engineering agreements and construction contracts that are legally sufficient, ensure appropriate services are provided at a reasonable fee, and expedite the achievement of the applicant's goals. This update amends language to support compliance with 2 CFR Part 200.

**MODIFICATIONS:** Rural Development State Offices may modify this guidance when appropriate to comply with state statutes and regulations in accordance with the procedures outlined at Rural Development Instruction 2006-B (2006.55).

  
KELLIE KUBENA  
Acting Assistant Administrator  
Water and Environmental Programs

  
Date

## RUS Bulletin 1780-26 (2017 edition)

- Modifies Standard EJCDC Owner – Engineer Agreement (2014 Edition)
- Bulletin's Exhibits - Provides a “checklist” of language to be added or stricken
- Bulletin Exhibits
  - A - Engineering Agreement- Modifications for RUS Funded Projects
  - B – Revisions to EJCDC E-500
  - C – RUS Certification Page



Rural Development – Community Programs

# Project Construction Documents

## Engineer Agreements

### Agency Endorsed Contract Document Requirements

RUS Bulletin 1780-26  
Exhibit B  
Page 1

#### REVISIONS TO EJCDC E-500

- ☐ Amend paragraph 4.01.A by inserting the following text after the first sentence: "Invoices must include a breakdown of services provided."
- ☐ In paragraph 6.04.B replace "shall" with "may".
- ☐ Modify paragraph 7.01.A.25 by striking ", as an Additional Service."
- ☐ Add paragraph 7.01.A.38 to the Agreement as follows:

Agency – The Rural Utilities Service or any designated representative of Rural Utilities Service, including USDA, Rural Development.

- ☐ Add paragraph 8.05 to the Agreement as follows:

#### 8.05 Federal Requirements:

A. Agency Concurrence. Signature of a duly authorized representative of the Agency in the space provided on the signature page of EJCDC form E-500 hereof does not constitute a commitment to provide financial assistance or payments hereunder but does signify that this Agreement conforms to Agency's applicable requirements. This Agreement shall not be effective unless the Funding Agency's designated representative concurs. No amendment to this Agreement shall be effective unless the Funding Agency's designated representative concurs.

B. Audit and Access to Records. Owner, Agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Engineer which are pertinent to the Agreement, for the purpose of making audits, examinations, excerpts, and transcriptions. Engineer shall maintain all required records for three years after final payment is made and all other pending matters are closed.

C. Restrictions on Lobbying. Engineer and each Consultant shall comply with "Byrd anti-lobbying amendment (31 U.S.C. 1352)" if they are recipients of engineering services contracts and subcontracts that exceed \$100,000 at any tier. If applicable, Engineer must complete a certification form on lobbying activities related to a specific Federal loan or grant that is a funding source for this Agreement. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other applicable award. Each tier shall disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Certifications and disclosures are forwarded from tier to tier up to the Owner. Necessary certification and disclosure forms shall be provided by Owner.

D. Suspension and Debarment. Engineer certifies, by signing this Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared

RUS Bulletin 1780-26  
Exhibit C  
Page 1

#### RUS CERTIFICATION PAGE

PROJECT NAME: \_\_\_\_\_

The Engineer and Owner hereby concur in the Funding Agency required revisions to E-500. In addition, Engineer certifies to the following:

All modifications required by RUS Bulletin 1780-26 have been made in accordance with the terms of the license agreement, which states in part that the Engineer "must plainly show all changes to the Standard EJCDC Text, using 'Track Changes' (redline/strikeout), highlighting, or other means of clearly indicating additions and deletions." Such other means may include attachments indicating changes (e.g. Supplementary Conditions modifying the General Conditions).

#### SUMMARY OF ENGINEERING FEES

Note that the fees indicated on this table are only a summary and if there is a conflict with any provision of Exhibit C, the provisions there overrule the values on this table. Fees shown in will not be exceeded without the concurrence of the Agency.

Basic Services	\$ _____
Resident Project Observation	\$ _____
Additional Services	\$ _____
TOTAL:	\$ _____



Rural Development – Community Programs

# Project Construction Documents

## Construction Contract Documents

### Agency Endorsed Contract Document Requirements



- EJCDC C-520 (2013 edition)
- Agreement between Owner  
- Contractor for  
Construction Contract
- Purchase from Sponsoring  
Organizations
  - ACEC, NSPE, ASCE, ~~AGCA~~
- Supersedes 2007 edition of the  
EJCDC



Rural Development – Community Programs

# Project Construction Documents

## Construction Contract Documents

### Agency Endorsed Contract Document Requirements

- Typical EJCDC Construction Contract Format
  1. EJCDC C-520 Owner – Contractor Agreement (2013 edition)
  2. EJCDC C-700 Standard General Conditions (2013 edition)
  3. EJCDC C-800 Supplementary Conditions (2013 edition)
  4. EJCDC Related Documents and Forms (latest edition)
    - a. C-200 – Instructions to Bidders
    - b. C-410 – Bid Form
    - c. C-430 – Bid bond
    - d. C-451 – Qualification Statement
    - e. C-510 – Notice of Award
    - f. C-550 – Notice to Proceed
    - g. C-610 – Performance Bond
    - h. C-615 – Payment Bond
    - i. C-620 – Application for Payment
    - j. C-941 – Change Order
    - k. C-625 – Certification of Substantial Completion



# Project Construction Documents

## Construction Contract Documents

### Agency Endorsed Contract Document Requirements

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
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KELLIE KUBENA  
Acting Assistant Administrator  
Water and Environmental Programs

  
Date

## RUS Bulletin 1780-26 (2017 edition)

- Modifies Standard EJCDC Construction Contract Documents (2013 edition)
- Bulletin's Exhibits - Provides a “checklist” of language to be added or stricken
  - D – User Instructions for the development of the Construction Contract and Bidding Documents
  - E – edits Instructions to Bidders
  - F – edits Bid Form
  - G – edits Owner – Contractor Agreement
  - H – edits Supplementary Conditions
  - I – Certification of Owner's Attorney & Agency Concurrence
  - J – Engineer's Certification of Final Plans and Specifications

- Substitutes equivalent EJCDC (2007 edition)



Rural Development – Community Programs

# Project Construction Documents

## Construction Contract Documents

### Agency Endorsed Contract Document Requirements

RUS Bulletin 1780-26  
Exhibit D  
Page 3

Assembling the Construction Contract and Bidding Documents

Advertisement for Bids	Use EJCDC C-111 (2013).
Instructions to Bidders	Engineer will develop the Instructions to Bidders using the Suggested Instructions to Bidders for Construction Contracts (EJCDC C-200, 2013) as modified by this Bulletin.
Qualifications Statement	Use EJCDC C-451 (2013).
Bid Form	Use EJCDC C-410 (2013) as modified by this Bulletin.
Bid Bond	Use EJCDC C-430 (2013).
Notice of Award	Use EJCDC C-510 (2013). Owner must obtain concurrence of Agency prior to announcing award.
Agreement Between Owner and Contractor (Stipulated Price)	Use EJCDC C-520 (2013) as modified by this Bulletin.
Standard General Conditions of the Construction Contract	Use EJCDC C-700 (2013). Modifications to C-700 should be made in the Supplementary Conditions, not in C-700 itself.
Supplementary Conditions	Engineer will develop the Supplementary Conditions using the Guide to the Preparation of Supplementary Conditions (EJCDC C-800) as modified by this Bulletin.
Performance Bond	Use EJCDC C-610 (2013). Note that the bond must be at least 100% of the bid amount.
Payment Bond	Use EJCDC C-615 (2013). Note that the bond must be at least 100% of the bid amount.
Application for Payment	Use EJCDC C-620 (2013). This document is pre-approved for use per 7 CFR 1780.76(e).
Change Order	Use EJCDC C-941 (2013). This document is pre-approved for use per 7 CFR 1780.76(b)(2).
Notice to Proceed	Use EJCDC C-550 (2013).
Certificate of Substantial Completion	Use EJCDC C-625 (2013).
Compliance Statement	Use Form RD 400-6.
Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions	Use Form AD-1048.
Certification for Contracts, Grants, and Loans	Use Exhibit A-1 of RD Instruction 1940-Q.
Construction Project Sign	Template provided by RD State Office.
Certificate of Owner's Attorney	Use template provided in Exhibit I of this Bulletin.
Engineer's Certification of Final Plans and Specifications	Use template provided in Exhibit J of this Bulletin.

RUS Bulletin 1780-26  
Exhibit E  
Page 1

ENGINEER'S DEVELOPMENT OF INSTRUCTIONS TO BIDDERS

The Engineer will develop the Instructions to Bidders using the Suggested Instructions to Bidders (EJCDC C-200, 2013) and using the instructions provided in this Bulletin. In addition, the Engineer must ensure that any applicable state or federal wage rate requirements are added to the Instructions to Bidders (ITB) at Article 24. The USDA, Rural Utilities Service, Water and Waste Disposal program does not require the use of Davis Bacon Wage rates in most cases, but other sources of federal funds may.

- ☐ ITB 3.01 The second suggested version of 3.01 is not acceptable for use on RUS funded projects. Owners must not preclude entities from submitting bids.
- ☐ ITB 8.01 Bid security must be equal to 5% of the Bidder's maximum Bid price.
- ☐ ITB 9.01 The second suggested version of 9.01 (applicable to Price-plus-Time bids) is not acceptable for use on RUS funded projects.
- ☐ ITB 11 The following text shall be used for Article 11:

ARTICLE 11 - SUBSTITUTE AND "OR-EQUAL" ITEMS

11.01 The Contract for the Work, if awarded, will be on the basis of materials and equipment specified or described in the Bidding Documents, and those "or-equal" or substitute materials and equipment subsequently approved by Engineer prior to the submittal of Bids and identified by Addendum. No item of material or equipment will be considered by Engineer as an "or-equal" or substitute unless written request for approval has been submitted by Bidder and has been received by Engineer at least 15 days prior to the date for receipt of Bids in the case of a proposed substitute and 5 days prior in the case of a proposed "or-equal." Each such request shall comply with the requirements of Paragraphs 7.04 and 7.05 of the General Conditions. The burden of proof of the merit of the proposed item is upon Bidder. Engineer's decision of approval or disapproval of a proposed item will be final. If Engineer approves any such proposed item, such approval will be set forth in an Addendum issued to all prospective Bidders. Bidders shall not rely upon approvals made in any other manner. Substitutes and "or-equal" materials and equipment may be proposed by Contractor in accordance with Paragraphs 7.04 and 7.05 of the General Conditions after the Effective Date of the Contract.

11.02 All prices that Bidder sets forth in its Bid shall be based on the presumption that the Contractor will furnish the materials and equipment specified or described in the Bidding Documents, as supplemented by Addenda. Any assumptions regarding the possibility of post-Bid approvals of "or-equal" or substitution requests are made at Bidder's sole risk.

11.03 If an award is made, Contractor shall be allowed to submit proposed substitutes and "or-equals" in accordance with the General Conditions:

- ☐ ITB 12.01 Do not include this first paragraph of Article 12.
- ☐ ITB 12.02 Do not include this second paragraph of Article 12.
- ☐ ITB 12.03 Insert the following text at the beginning of the third paragraph of Article 12, "If required by the bid documents."



Rural Development – Community Programs

# Project Construction Documents

## Agency Endorsed Contract Document Requirements

- Washington State Guides to EJCDC Doc's
  - WA Guide 1: Introduction to **Design and Construction Related Documents** on Projects Funded by USDA RD (optional)
  - WA Guide 2 AES: Introduction for Developing **Owner-Engineering Agreement** for Projects Funded by USDA RD (recommended)
  - WA Guide 3 (P&S): Additional Instructions for the Development of **Design and Construction Related Documents** (recommended)





# Project Construction Documents

## Key Agency Provisions

- **Agency Approval of:**
  - **Contracts** - But not a party of...
  - **Change Orders & Payment Applications**
- **Surety:** Performance & Payment bonds, each 100% of contract amount
- **Retainage:** 5% - Can't be invested for the contractor's benefit
- **Procurement:**
  - No base bid method; List a brand name with "or-equal"
  - Selection of Major Equipment through Pre-selection bidding process
  - "or-equals" may be evaluated / approved prior to bid opening





# Bidding & Project Procurement Process

- State Engineer Approves Construction Contract Documents
- Applicant Proceeds with Bidding
- RD Invited to Bid Opening
- Consulting Engineer
  - Audits Bids
  - Makes Recommendation to Owner & RD
  - Submits Post Bid Submittal items to RD
- RD Reviews Post Bid Submittals
  - Concurs with Recommendation or Take Exception



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# Bidding & Project Procurement Process

## Prior to Bid Award - LOC conditions (Loan Specialist)

- Rural Development Funding must be ready to close prior to Bid Award:
  1. Interim Financing is required for projects above \$500,000.
  2. Draft bond documents must be received from the borrowers bond attorney, reviewed by the Office of General Council and approved by RD.
  3. Verification of owners insurance and bonds.
  4. All other applicable requirements per the Letter of Conditions.



# Awarding Process

- RD Concurs with Recommended Award
- Applicant Issues Notice of Award (NOA)
- Contractor Execute Construction Contract
  - EJCDC C-520 & Surety Forms etc
- Applicant's Attorney Reviews – If Acceptable
  - Executes Certificate of Owner's Attorney and Agency Concurrence (Exhibit I of RUS Bulletin 1780-26)
  - Recommends Applicant's Execution of C-520
- Applicant Enters into Construction Contract



# Awarding Process

- Applicant Submits Executed Construction Contract to RD
- RD Executes Agency Concurrence Block
  - Executes Certificate of Owner's Attorney and Agency Concurrence (Exhibit I of RUS Bulletin 1780-26)
- Release of RD Funds
  - Following RD execution of Exhibit I of RUS Bulletin 1780-26
- Consulting Engineer Conducts Pre-Construction Meeting
- Issues Notice to Proceed (NTP)
- Contractor Proceeds with Construction



# Construction Phase

- Consulting Engineer & Resident Project Representative (RPR) Perform Construction Services
- Applicant Monitors Construction through Consulting Engineer, Keeps RD Informed of Status
- RD Monitors Construction through Applicant & Consulting Engineer
- RD Oversight
  - Reviews and Concurs with Payments to Owner, Engineer, Contractor
  - Reviews and Concurs with Change Orders
  - Makes Periodic Site Visits
  - Attends Pre-final and Final Inspections



# Post Construction Phase

- RD Services Loan
  - Security inspections & ADA/Civil Rights Compliance review
  - Payment collection, using Pre-Authorized Debit
  - Annual Reports Audit reviews
    - Cash Flow and Sustainability
    - O&M budgets
    - Reserve Balances
  - Loan delinquency
  - Graduation review



# New Items at RD

- RDApply
  - New Online Application system
  - Must obtain eAuth ID (electronic authorization)
  - Application consists of Interview Questions
- ePER
  - Electronic Preliminary Engineering Report
    - Integrates with RDApply
- Buy American Iron and Steel (AIS)





# New Items at RD

- RDAApply -

- What is RDAApply?
  - New web-based application system used to apply to Rural Development
  - User-friendly tracking of application process, keeps track of the flow
  - Currently can be used for Water and Wastewater program
  - Users will be linked to the application with an E-Authentication ID



# New Items at RD

- RDAApply -

- Screen Shots

Home Notifications Admin Tutorials

Application Id: 3001795 | Borrower Name: Missouri Water Co

You are logged in as: Orlet

Interview

Customer

Facilities

Volume/Flow

Project Cost

Financial

Service Area(s)

Documents

Summary/Submit



Rural Development – Community Programs

# New Items at RD

## - RDApply -

[Interview](#)[Customer](#)[Facilities](#)[Volume/Flow](#)[Project Cost](#)[Financial](#)[Service](#)

- Service to import existing customer data currently unavailable.

### General Information

**\*\*Legal  
Name:**

No Name City

**Primary  
Borrower  
ID:**

300988427

**Organizational  
Description:**

**Tax ID  
Nbr:**

120619770

**Type of  
Applicant:**

Municipal

**DUNS  
NBR:**

**Civil  
Rights:**

- ☐ NA
- ☐ Minority Owned Businesses
- ☐ Disability Owned Businesses
- ☐ Women Owned Businesses

**CAGE  
Code:**



Rural Development – Community Programs

# New Items at RD

## - RDApply -

Interview

Customer

Facilities

Volume/Flow

Project Cost

Financial

Facility Details

Water

Facility Sites

Land Rights

### Facility Details

**Describe the Current Facility before Improvement**

**Describe the Proposed Facility after Improvement**



Rural Development – Community Programs

# New Items at RD

## - RDApply -

Interview

Customer

Facilities

Volume/Flow

Project Cost

Retail

Wholesale

Do you sell retail water?

☐ Yes

☐ No

Total Annual Gallons Sold to Retail Customers (do not include wholesale)

Of the Total Annual Gallons Sold, how many Gallons were Sold to Single Family Dwellings

What are the total number of existing connections on the system

Of the total number of existing connections, how many are Single Family Dwellings

What is the Total Annual Revenue from Retail Sales

Will you be adding new connections with this project?

☐ Yes

☐ No

How many new connections will be added to the system



Rural Development – Community Programs

# New Items at RD

## - RDApply -

[Interview](#)
[Customer](#)
[Facilities](#)
[Volume/Flow](#)
[Project Cost](#)
[Financial](#)
[Service Area\(s\)](#)
[Documents](#)
[Summary/Submit](#)

### Request Info

\*Proposed Start Date:

\*Proposed End Date:

Date Application made  
available to the Inter-  
governmental Review  
Process (if applicable):

State Clearinghouse ID  
Number (if applicable):

*Cost Classification*	Description	*Cost*	Action
<input type="text"/>	<input type="text"/>	<input type="text"/>	<a href="#">Delete</a>



Rural Development – Community Programs

\$0.00

[Save](#)
[Print](#)

# New Items at RD

## - RDAApply -

[Interview](#) [Customer](#) [Facilities](#) [Volume/Flow](#) [Project Cost](#) [Financial](#) [Service Area\(s\)](#) [Documents](#) [Summary/Submit](#)

[Balance Sheet](#)

[Other Income](#)

[Short Lived Asset](#)

[Proposed Funding](#)

[Debt](#)

[Proposed O&M](#)

### Enterprise - Current Assets

Input the total cash that the facility has in its bank account(s) (current Assets).

Date of Financial Information:



\*What is the total cash that the facility has in its bank account(s)?

Do you have any Certificate of Deposits or other term certificates in addition to the cash listed above?

Yes



If yes, please list individually:

Certificate Holder	Certificate Amount	Reason for Certificate	Action
<input type="text"/>	<input type="text"/>	<input type="text"/>	<a href="#">Delete</a>

[Add New +](#)



Rural Development – Community Programs



# New Items at RD

- RDApply -

Interview

Customer

Facilities

Volume/Flow

Project Cost

Financial

Service Area(s)

Documents

Summary/Submit

Service Area(s)

Add New +

View All

Service Area Name

Population

Square Miles

% of Rural vs. Urban

Actions

Draw

Upload

Layers

Legend

Instructions

Hide

Save

Save and Exit

Print

Area Type:

Base

Editing Tools

Polygon

Freehand

Select

Cut

Delete

Edit

Select Tools

Select City

Select Blocks

Create Polygon

To use the Census Block tools, you must be at a zoom level that makes the Census Blocks visible.

Polygon drawn successfully.

A Base area is drawn, select the area to edit the polygon.





# New Items at RD

## - RDApply -

Attachments

Certifications

### Required Attachments

Below is a list of Attachments required to complete this Application. Please upload the Attachment requested for each row marked with an ✖. Upon successful completion of the upload, the row is marked with a ✔.

If more than one upload is required by a Category/DocumentType, please select the Blue "Upload" Button on the right of the "Additional Attachments" Section at the bottom of this screen.

Upload Status	Category	Document Type	File Name	Date	Uploaded By	Action
✖	Application	Notice of Intent to File Application			NA.	<a href="#">+ Upload</a>
✖	Engineering	Preliminary Engineering Report			NA.	<a href="#">+ Upload</a>
✖	Environmental	Environmental Report			NA.	<a href="#">+ Upload</a>
✖	Financial	Audits (most recent copy) or Financial Statement (annual report)			NA.	<a href="#">+ Upload</a>



Rural Development – Community Programs

# New Items at RD

## - RDApply -

### Required Certifications

Below is a list of required certifications for this application. Please sign certifications for any rows marked with an "X."

Status	Document Type
X	<a href="#">Assurance Agreement</a>
X	<a href="#">Assurances Regarding Felony Conviction (3031)</a>
X	<a href="#">Assurances - Construction Programs</a>
X	<a href="#">Certifications for Contracts, Grants and Loans (lobbying)</a>
X	<a href="#">Certification Regarding Debarment</a>
X	<a href="#">Equal Opportunity Agreement</a>
X	<a href="#">Application Certification, Federal Collection Policies for Consumer or Commercial Debt</a>
X	<a href="#">Relatives Employed by USDA</a>
X	<a href="#">Representations Regarding Felony Conviction (3030)</a>
X	<a href="#">Certification Regarding Prohibited Tying Arrangements</a>
X	<a href="#">Certification Regarding Credit Elsewhere</a>







Rural Development – Community Programs

# New Items at RD

## - RDApply -

[Interview](#)[Customer](#)[Facilities](#)[Volume/Flow](#)[Project Cost](#)[Financial](#)[Service Area\(s\)](#)[Documents](#)

Each section of the application is presented with a status of  when the data has passed validation edits and a status of  when there is an issue. , a row for each validation issue appears under the section header. The first column has the name of the data that has the issue and the second column has a hyperlink to the issue. Customers may press the hyperlink related to the page name to correct the issue. Once each section has a  status, the application is ready for submission by the person in your organization with the authority to submit.

 [INTERVIEW](#) [CUSTOMER](#)  [FACILITIES](#)  [VOLUME/FLOW](#) [PROJECT COST](#)  [FINANCIAL](#) [SERVICE AREA\(S\)](#)  [DOCUMENTS](#)[Submit](#)

Rural Development – Community Programs

# New Items at RD

- ePER -

electronic Preliminary Engineering Report format

A new PER development tool for Consultants

- What is ePER?
  - Latest RD innovation in the application process
  - Web-based application for consulting engineers to write the PER
  - Interactive system steps engineer through the PER development
  - Secure portal protects engineer's work, remains proprietary
  - Generates PER in PDF and XML data format
  - Not dependent upon submitting an RD application



Rural Development – Community Programs

# New Items at RD

- ePER -

electronic Preliminary Engineering Report format

A new PER development tool for Consultants

- **Built In Features**

- Follows the PER outline RUS Bulletin 1780-2
- Service area mapping tool
- Population of service area based upon latest census data
- Projects future populations based on census data
- Life cycle costs analysis
- Automatic completion of costs once alternative is selected



Rural Development – Community Programs

# New Items at RD

- ePER -

electronic Preliminary Engineering Report format

A new PER development tool for Consultants

- **Benefits of ePER**
  - **Secure:** Only the consulting engineer or their designees can access
  - **Interactive:** ePER prompts user for information, expediting the report development
  - **Flexible:** Reports are generated in PDF and XML for easy submission to USDA or other Federal/State funding agencies
  - **Compatible:** The ePER system is compatible with the RD Apply online application process



Rural Development – Community Programs

# New Items at RD

- ePER -

electronic Preliminary Engineering Report format

A new PER development tool for Consultants

- How will consulting engineers use it?
  - Optional – not mandatory
  - Obtain eAuth level 2 account (electronic Authorization to Government network)
  - Create a ePER
    - Interview (ask basic information to be entered)
    - Text, uploads, standard attachments
  - Seal document and lock report (remains property of engineer)
  - Can submit to RD Apply
- Status of ePER
  - Available after September 2017



Rural Development – Community Programs

# New Items at RD

-AIS-

## Buy American Iron & Steel

- Agenda
  - The Statute
  - Executive Order
  - What is American Iron & Steel
  - Timing
  - Affected Programs
  - Waivers
  - RUS Bulletin on AIS





# New Items at RD

## -AIS-

### Buy American Iron & Steel

- Executive Order
  - Executive Order 13788, “Buy American and Hire American” April 18, 2017
- Statue
  - Section 746 Division A Title VII of the Consolidated Appropriations Act of 2017
    - Requires iron and steel products used in projects funded by the Water and Waste Disposal Loan and Grant program be produced in the United States.
- What is American Iron & Steel
  - “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.



# New Items at RD

-AIS-

## Buy American Iron & Steel

Parties involved in compliance with the AIS statute:

- Agency
- Owner
- Consulting Engineer
- General Contractor
- Manufacturers, et. al.



Rural Development – Community Programs

# New Items at RD

## -AIS-

### Buy American Iron & Steel

## RUS Bulletin 1780-35

- Guidance for the Implementation of American Iron and Steel (AIS)

UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Utilities Service  
RUS BULLETIN 1780-35

**SUBJECT:** Guidance for the Implementation of American Iron and Steel (AIS) Requirements with Rural Utilities Service (RUS) Financial Assistance

**TO:** Rural Development (RD) state directors, RUS program directors, and state engineers.

**EFFECTIVE DATE:** Date of approval.

**OFFICE OF PRIMARY INTEREST:** Engineering and Environmental Staff (EES), Water and Environmental Programs (WEP).


**INSTRUCTIONS:** This is a new Bulletin and does not replace any existing RUS Bulletin.

**AVAILABILITY:** This Bulletin, as well as any RD or RUS instructions, regulations, or forms referenced in this Bulletin are available at any RD State Office. The State Office staff is familiar with the use of the documents in their States and can answer specific questions on RD requirements.

This Bulletin is available on the RUS website at <https://www.rd.usda.gov/publications/regulations-guidelines/bulletins/water-and-environmental>.

**PURPOSE:** This Bulletin assists RD staff in providing information and guidance to applicants, professional consultants, general contractors, and manufacturers regarding the AIS Requirements mandated by Section 746 Division A Title VII of the Consolidated Appropriations Act of 2017. The intended outcome of this Bulletin is to instruct and inform RD State Office staff and others on how to implement these requirements to ensure compliance with the AIS requirements.

**MODIFICATIONS:** RD State Offices may modify this guidance when appropriate to comply with state statutes and regulations in accordance with the procedures outlined at RD Instruction 2006-B (2006.55).

for   
SCOTT BARRINGER  
Acting Assistant Administrator  
Water and Environmental Programs

Date 8/30/17



Rural Development – Community Programs

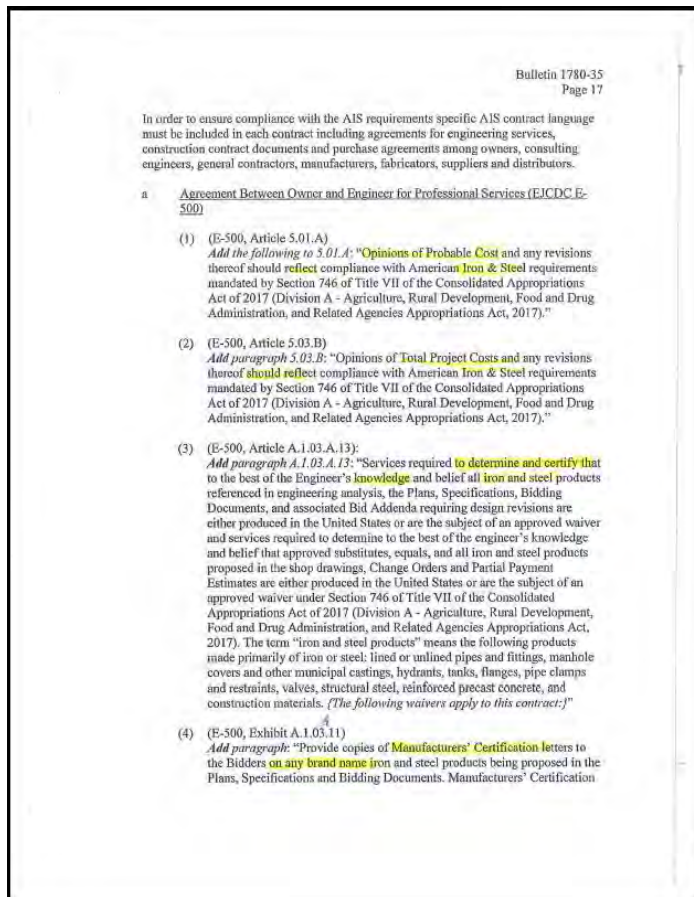
# New Items at RD

## -AIS-

### Buy American Iron & Steel

## RUS Bulletin 1780-35

- (AIS) Language to be added to the E-500 Owner – Engineer Agreement



Rural Development – Community Programs

# New Items at RD

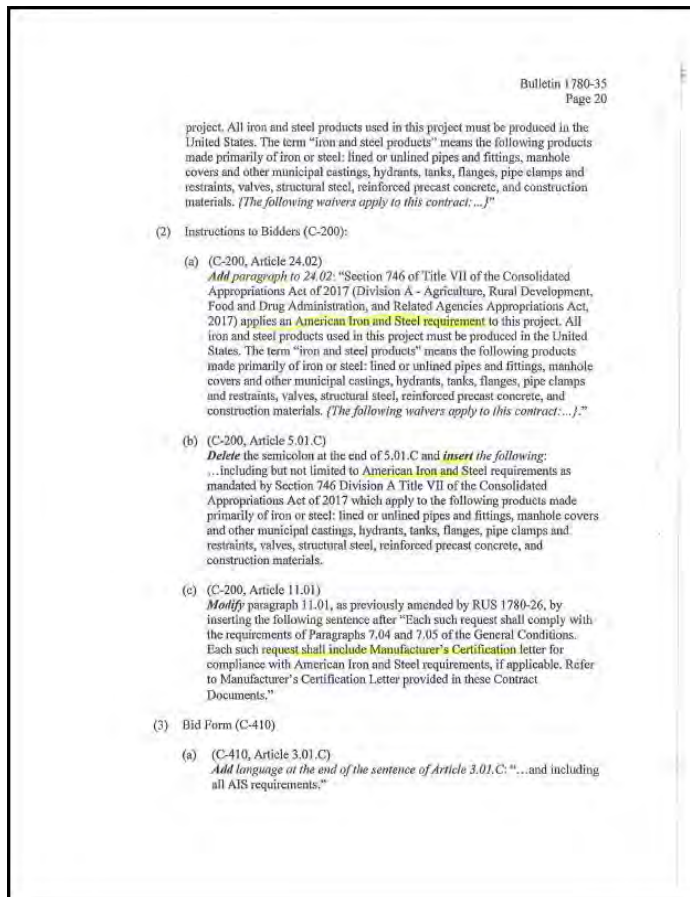
## -AIS-

### Buy American Iron & Steel

## RUS Bulletin 1780-35

- (AIS) Language to be added to:

- C-520 Owner – Contractor Agreement
- C-200 Instructions to Bidders
- C-410 Bid Form
- C-800 Supplemental General Conditions



Rural Development – Community Programs

# New Items at RD

-AIS-

## Buy American Iron & Steel

- Owner Responsibility
  - **Sign** grant agreements and letters of conditions
  - **Sign** agreements for engineering services, executed construction contracts and all other documents
  - **Acknowledge** responsibility for compliance with AIS requirements by signing change orders and partial payment estimates.
  - Completion of project: **obtain** the certification letters from the consulting engineer and **maintain** this documentation for the life of the loan.



# New Items at RD

-AIS-

## Buy American Iron & Steel

- Consulting Engineer Responsibilities
  - Agreements for engineering services: **Include** AIS language.
  - **Include** costs of AIS in fees and opinions of probable.
  - Construction Documents: **Include** required AIS language.
  - **Submit** engineering AIS certification letter to RD prior to advertisement for bids.
  - Award: **Provide** copies of **manufacturers' certification letters** to contractor on specified brand name iron & steel products being used.
  - Shop drawing submittal: **Review** shop drawings and change orders to ensure compliance with AIS.



# New Items at RD

## -AIS-

### Buy American Iron & Steel

- Consulting Engineer Responsibilities
  - **obtain** a **manufacturers' certification letter** from the contractor to verify the products were produced in the United States.
  - For any change order, **obtain** a **manufacturer's certification letter** to ensure compliance with AIS.
  - **Keep** all **certification letters** in the engineer's project file.
  - **Acknowledge** responsibility for compliance with AIS requirements by signing change orders (i.e. C-941 of EJCDC) and partial payment estimates (i.e. C-620 of EJCDC).
  - Substantial completion of project: **obtain** the **contractors' certification letter** and copies of **manufacturers' certification**. **Provide** copies of engineer's, contractors', and manufacturers' certification letters to the owner and copies of engineer's and contractor's certification letters to RD.





# New Items at RD

## -AIS-

### Buy American Iron & Steel

- Construction Contractor Responsibilities
  - Bid submittal: For proposed equals & substitutes, **provide manufacturers' certification letter**.
  - Award: **Obtain** copies of **manufacturers' certification letters** from the consulting engineer for brand name products specified.
  - Shop drawing submittal: For proposed equals, substitutes and any iron & steel product subject to AIS, **provide manufacturers' certification letters**.
  - Prior to installation: **Ensure** copies of **manufacturers' certification letters** for any iron & steel products are filed and maintained on-site.
  - Change Order: For any iron & steel products proposed, **provide manufacturers' certification letter** to the consulting engineer.
  - Substantial completion of the project: **Provide contractor's certification letter** to consulting engineer/owner and **manufacture's certification letter** to owner.



New Items at RD  
-AIS-  
Buy American Iron & Steel

- Manufacturer and Fabricator Responsibilities
  - If iron & steel products are produced in the United States as defined in this Bulletin, ***prepare manufacturers' certification letters*** and **make available** upon request to consulting engineers, general contractors, etc.



New Items at RD  
-AIS-  
Buy American Iron & Steel

- Purchase of Equipment and Materials
  - Owner, contractor or other parties must ensure that the products were produced in the United States.
  - Manufacturer must provide **manufacturers' certification letters** to ensure compliance.



# New Items at RD

## -AIS-

### Buy American Iron & Steel

- Waiver Process
  - Categorical & Case by Case
  - Applying the requirement would be **inconsistent with the public interest**;
  - The required items are **not produced** in the United States in **sufficient** and reasonably available **quantities or** of a satisfactory **quality**; or
  - Inclusion of iron and steel products produced in the United States will **increase the cost** of the overall project **by more than 25%**.
- Non-Compliance
  - ID noncompliance product, RD Program Director will notify the National Office, Director of Engineering & Environmental Staff
  - USDA will apply remedies for noncompliance as per 2 CFR 338 – 342



# Rural Development Web Sites

- Engineering Documents
  - Preliminary Engineering Report
    - RUS Bulletin 1780-26
  - American Iron & Steel
    - RUS Bulletin 1780-35
  - Most RUS Forms & Bulletins
- <http://www.rd.usda.gov/programs-services/services/water-environmental-engineers>



# Rural Development

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Rural Development – Community Programs