



United States
Department of
Agriculture

Rural Development



Presented by: AYLENE MAFNAS

Proposed Revision of 7 CFR 1753 to Include 1738-2 Broadband Construction Procedures

2016 ACE School and RUS Symposium

Proposed Consolidation of 1753 & 1738-2 Construction Procedures

No more confusion an active resolution is on it's way!!!



Proposed Consolidation of 1753 & 1738-2 Construction Procedures

PROPOSED CHANGES

- All construction procedures into one regulation;
- Redefining Minor Construction as Small Scale Construction,
=>\$500,000 for Equipment and =>\$1M for Outside Plant construction;
- Redefining Major Construction as Large Scale Construction, <\$500,000
for Equipment and <\$1M for Outside Plant Construction;

Proposed Consolidation of 1753 & 1738-2 Construction Procedures

PROPOSED CHANGES

Small Scale Construction:

- P & S approval not required.
- Quotes from vendors (equipment) is not required.
- Subcontract approval is not required.

Proposed Consolidation of 1753 & 1738-2 Construction Procedures

PROPOSED CHANGES

- Elimination of the calendar year restrictions of RUS Form 773 contracts;
- Increasing the time for reimbursement of small scale construction projects
 - RUS Form 771, from 1 year to 2 years after construction

Proposed Consolidation of 1753 & 1738-2 Construction Procedures

PROPOSED CHANGES

- Elimination of competitive bidding of Central Office Equipment and Special Equipment;
- Elimination of RUS Approval of Subcontracts;

Proposed Consolidation of 1753 & 1738-2 Construction Procedures

PROPOSED CHANGES

- Elimination/Streamline of the requirement for RUS approval of bids, except in cases where an organization is affiliated;
- Increasing limit on building construction to \$100,000 with no architectural or engineering services;

Proposed Consolidation of 1753 & 1738-2 Construction Procedures

PROPOSED CHANGES

- “Central Office Equipment” and “Special Equipment” into single section “Core Network and Access Equipment”
- Redefine or clarify the performance Bond requirements for Equipment Contract as referenced on July 28, 2009 RUS Memo

Proposed Consolidation of 1753 & 1738-2 Construction Procedures

PROPOSED CHANGES

- Broadband construction and equipment contracts estimated to cost $\leq \$100,000$, must use the RUS contracts.
- For $> \$100,000$ all borrowers will use purchase orders, vendor's sales agreement, own contract, etc.

Proposed Consolidation of 1753 & 1738-2 Construction Procedures

ASSUMED CHANGES

- Replace 397, 398, 525, and 545 contracts with new “395 Equipment Contract”
- Replace 515 with new “Construction Contract”
- Replace 217, 245 and 220 with “Services Contract”
- Possible elimination of 773 contract or no longer a RUS approved contract.

Any suggestions or questions, please email
Aylene.Mafnas@wdc.usda.gov

HAVE A WONDERFUL DAY!



United States
Department of
Agriculture

Rural Development



Contact Information
Rural Development
Telecommunications Program
Policy & Outreach Division
Aylene.Mafnas@wdc.usda.gov
Office: 202-690-4673
www.rd.usda.gov

USDA Rural Development is committed to the future of rural communities.