



United States Department of Agriculture

COMMUNITY FACILITIES PROJECT GUIDE

Updated February 2016

1 Regulatory Reference

This guide is to assist Owners and Architects with USDA Rural Development requirements for Community Facilities. It is arranged in the general order that a project will follow from Preliminary Studies to Final Construction.

The regulation that applies to Community Facilities – Planning, Bidding, Contracting, and Construction is RD Instruction 1942-A, § 1942.18. Please contact the Area Office Loan Specialist for any additional information.

2 Owner-Architect Agreement

The regulations do not require a specific Agreement. It does, however, have requirements that must be within each Agreement. In order to expedite the review of Agreements, the Agency at a national level has adopted an industry standard Agreement with USDA Rural Development modifications.

The preferred Owner-Architect Agreement is AIA Document B101-2007, Standard Form of Agreement between Owner and Architect. Note that there is a three page, B101-2007 Exhibit A (initial information) which may also be a part of the Agreement. The inclusion of Exhibit A is an Owner/Architect decision. RD Instruction 1942-A, Guide 27, Attachment 1 must be physically attached to the AIA Document B101-2007 to comply with Agency requirements. Please do not edit the Attachment text into the text of the Agreement.

An unsigned B101-2007 (with or without Exhibit A) with the contract terms completed with a RD Instruction 1924-A, Guide 27, Attachment 1 (fill-in the blanks) may be sent to the State Office for preliminary review and comment. The B101-2007 may receive limited edits, but the Agency Attachment may not.

The final submittal to the Agency shall be three original (not copies) completed, executed, and attested AIA Document B101-2007 Agreements with the completed Attachments. The State Office will concur by signature, retain one copy, and return the other two Agreements to the Owner. It is important that all Agreements are signed by the Owner and Architect on the Attachment signature sheet and each has an attested signature. While the Agency concurs with the Agreement, the Agency is not a party to the Agreement. The intent of the review is to assure that federally funded projects have the proper professional design services for the scope of work required.

Should the Owner or Architect want to use a different AIA Document Agreement or a custom contract or substantially modify the B101-2007, it is allowed by the Agency regulations. The drawback to this approach is that a custom Agency Attachment will have to be created and reviewed by the area Office of General Counsel (OGC). Because of the volume of work that OGC performs, this could delay the project by several weeks. This is not recommended. Architects may believe that a particular project is too small for the B101-2007, but the delay in the review will offset any gain in using another Agreement.

The Architect should also prepare an additional attachment to the Agreement as noted in RD Instruction 1924-A, Guide 27, Attachment 1, Paragraph 11.10.5. The attachment content is well described there with the intended purpose of establishing pre-agreed upon reimbursable costs. These costs are tracked as a Project line item expense and many times Owners rely on Agency funds to cover these costs.

3 Financial Feasibility Report

Owners should use RD Instruction 1942-A, Guide 5 for preparing the Financial Feasibility Report. The information listed in the Guide must be within the report. It is recommended that the Report be complete, concise, and professionally produced. An indexed or tab report that follows Guide 5 allows for faster review. The report may be bound or within a three ring binder. Any additional supporting documents may be located in an appendix and referenced.

The Owner should be aware that Reports that are organized and present clear data are faster to review and process. The information should be Owner detailed and Project specific. The Projects must be supported financially and make economical sense for the Community.

It is important that the Financial Feasibility Report be submitted in a timely manner. The architectural design of the Project should not move ahead if the financial component of the Project has not been approved by USDA Rural Development.

A Financial Feasibility Analysis is allowed for certain projects as an alternative for the Financial Feasibility Report. The Analysis is less detailed than the Report. These include fire and rescue projects, non-dependent revenue projects, and low budget projects with the Owner having a history of operation. The Area Office should be consulted to see if an Analysis can be submitted for the Report.

4 Preliminary Architectural Feasibility Report

Architects must use RD Instruction 1942-A, Guide 6 for submitting the Preliminary Architectural Feasibility Report. It is recommended that the Report be complete, concise, and professionally produced. While the report is titled, "Architectural", the Owner must participate with the financial portions that are beyond normal architectural services. It will be a joint effort between the Owner and Architect.

An indexed or tab report that follows Guide 6 allows for faster review. The report may be bound or within a three ring binder. All Project Costs should be considered not just Construction Cost. Any additional supporting documents may be located in an appendix and referenced.

Often times, the existing facility is only noted as old or outdated. It is generally understood that this is usually the case. The Agency is interested in why the existing facility cannot be renovated or why it may need to be demolished within the current Scope of Work. The city centers of many Rural Communities are being abandoned. USDA Rural Development needs to understand what the best design solution is for each Community.

All Project Costs need to be identified that will use Agency funds. Equipment, furnishing, off site utilities, and other items that may be required to make the facility function should be included. Any sustainable design issues considered or other “green technologies” should also be noted. USDA supports sustainable design when the Owner can support any associated cost that may come with the initial construction.

Photos are encouraged to facilitate the review. These may be of existing facilities, site location, similar facilities, project models, or any picture that enhances a desk review of the Scope of Work.

Architects are reminded that the Texas Administrative Code, Title 22, Part 1, Chapter 1, Subchapter F, Rule 1.103(b)(2) requires drawings and specifications included in a Feasibility Study issued by or under the authority of the Architect must be sealed, signed, and dated.

5 Project Cost Estimate

Owners must provide a ***Total Overall Project Cost Estimate*** to the Agency. The Project Architect must provide a ***Total Construction Cost Estimate***. The Agency often receives just the Total Construction Cost Estimate. It is important that the Owner and Architect (Engineer) coordinate the Total Overall Project Cost because Agency funds are obligated based on this estimate. Future adjustments in obligated funds are possible, but the process may delay the project timeline and could be denied by the National Office.

There is no mandatory format for Community Facility estimates, but Rural Development recommends that Owners break down the cost into major categories such as; Land, Site Construction, Building Construction, Design fees, Legal fees, Equipment, Furnishings, Moving Cost, Testing, Survey, and other Soft cost. Architects may use a Construction Specification Institute (CSI) format Estimate of Probable Cost.

Budget Information, Cost Estimate, Opinion of Probable Cost and similar wording should be considered to have the same meaning as the Project Cost. Owners must include all cost regardless of funding.

Rural Development needs to understand the full Scope of the Project. Be sure to include often overlooked items such as equipment, soft cost, off-site utility construction cost (project related) and others. Davis-Bacon wage rates may apply to some funded projects. The Project Cost Estimate is to be incorporated with any Preliminary or Design Development Submittals and must be updated in the Final Design Submittal.

6 Documents

Architects and Engineers are expected to submit quality professional documents which are normally produced in the construction industry. The documents must show enough detail to be bid by general contractors unfamiliar with the Project Scope of Work. USDA Rural Development must accept the final drawings and specifications before bidding is allowed.

The Architectural fee should be adequate to produce quality documents. All local and national building codes that have jurisdiction shall be applied. If none exist for the area, the latest edition of the International Building Codes should be followed.

The applicable energy codes shall be used and documents submitted that the design complies. All handicap standards that have jurisdiction shall be applied. Agency funded projects must comply with the *Architectural Barriers Act Accessibility Standards* (ABAAS). Reference Rural Development Administrative Notice (AN 4779).

The documents must be signed, sealed, and dated by a current Texas licensed Architect or current Texas licensed Engineer. The design professional shall follow all regulations that the State of Texas requires for the profession.

Drawings

The drawings shall consist of a site plan, floor plans, building elevations, wall sections, schedules, details, and corresponding Mechanical, Electrical, Plumbing, Structural and Civil drawings. The quantity of the drawings required shall correlate with the size and complexity of the specific Project Type.

A signature block for the Owner, Architect, Contractor, and Agency to execute and date during the Preconstruction Conference shall be included on the cover sheet.

Project Manual

The Project Manual shall include the appropriate technical specification sections in the CSI format along with the Architects front end division instructions if they do not conflict with the Agency's front end documents. *USDA, Rural Development has an extensive number of required forms for insertion into the Project Manual.* Since the Agency has unique requirements that Architects may not be aware of, they are covered in some detail.

For Community Facility Projects the Architect shall assemble the Project Manual in the CSI format and incorporate the required forms in the order as follows. The Project Bid Documents Check List can be used to help assemble the Project Manual.

Note, that some forms may have fill-in dates that indicate 19__ for the year. If this is the case, it does not void the form. Simply strike the 19 and add the appropriate year.

AIA Documents are copyrighted and must be provided by the Project Architect. In the Agency's forms which can be printed out there locations are indicated by a diagonal visible watermark Place Holder which the Architect will replace with the actual document.

Title Page

This shall include the Architect/Engineer seal, signature, and date. A signature block for the Owner, Architect, Contractor and Agency to execute and date during the Preconstruction Conference shall be included. The balance of the page may be of any design which includes the project title and location.

Table of Contents

This shall include all the Project Manual content and may be of any design.

Architect's Certification

This shall be prepared on the Architectural Firm's letterhead with the Architect/Engineer's seal, signature and date. Any changes to the standard Agency forms are to be noted. For example, if the bid form required adjustment for an alternate bid, this would be acceptable if the change is identified. The Architect/Engineer shall edit as required. The italicized words on the sample are instructions only and should be followed and then deleted.

Plan Certification

This shall be Form RD TX 1942-44 as completed by the Architect/Engineer. The Building Code shall be the one adopted for use at the site location. If no code is applicable for the area, the latest edition of the International Building Code (IBC) shall be used. The energy standard used shall be at a minimum the 2006 International Energy Conservation Code (IECC) which is State law or a more stringent locally adopted IECC.

Advertisement for Bids

This shall be RD Instruction 1942-A, Guide 19, Attachment 1 (1-15-79) as completed by the Architect/Engineer.

Information for Bidders

This shall be RD Instruction 1942-A, Guide 19, Attachment 2 (1-15-79) as completed by the Architect/Engineer.

Instruction to Bidders

This shall be AIA Document A701- 1997 with RD Instruction 1942-A, Guide 27, Attachment 2 (08-26-98).

Supplemental Information for Bidders

This shall be reproduced and included without change unless different forms that are listed are approved by the Agency for use.

Bid Bond

This may be AIA Document A310 as completed by the Architect/Engineer with the following statement added, “IMPORTANT – Surety companies executing bonds must appear on the Treasury Department’s most current list (Circular 570 as amended) **and** be authorized to transact business in the State where the Project is located.”

This shall be included in the Bid Documents. *The bidding Contractors shall execute and submit it with the bid.* The selected Contractor’s executed originals shall be replaced in the Contract Documents.

Or

This may be RD Instruction 1942-A, Guide 19, Attachment 4 (1-15-79). This shall be included in the Bid Documents. *The bidding Contractors shall execute and submit it with the bid.* The selected Contractor’s executed originals shall be replaced in the Contract Documents.

Bid

This shall be RD Instruction 1942-A, Guide 19, Attachment 3 (1-15-79). This shall be included in the Bid Documents. *The bidding Contractors shall execute and submit it with the bid.* The selected Contractor’s executed originals shall be replaced in the Contract Documents.

Certification for Contracts, Grants, and Loans

This shall be RD Instruction 1940-Q, Exhibit A-1 (08-21-91). This shall be included in the Bid Documents. *The bidding Contractors shall execute and submit it with the bid.* The selected Contractor’s executed original shall be replaced in the Contract Documents.

Notice of Award

This shall be RD Instruction 1942-A, Guide 19, Attachment 7 (1-15-79). This shall be reproduced and included without change in the Bid Documents. It shall be replaced in the Contract Documents with an executed original.

Standard Form of Agreement between Owner and Contractor

This shall be AIA Document A101-2007 with RD Instruction 1942-A, Guide 27, Attachment 3. *The Architect/Engineer shall add the liquidated damages amount in the blank space in the attachment.* This shall be reproduced and included without change in the Bid Documents. It shall be replaced in the Contract Documents with executed originals.

Payment and Performance Bonds

These shall be reproduced and included without change in the Bid Documents. If the Owner is a Public Body, then use the Public Body forms. If the Owner is a Private Corporation, then use the Private Corporation forms. They shall be replaced in the Contract Documents with executed originals.

Payment Bond – Private Corporation

This shall be Form RD-TX 1924-12A (04-2005).

Performance Bond – Private Corporation

This shall be Form RD-TX 1924-12B (04-2005).

Payment Bond – Public Body

This shall be Form RD-TX 1924-13A (04-2005).

Performance Bond – Public Body

This shall be Form RD-TX 1924-13B (04-2005).

Power of Attorney for Agent of Bonding Company

This Place Holder shall be reproduced and included without change in the Bid Documents. It shall be replaced in the Contract Documents with executed originals provided from the bonding company. Provide one for each bond if signed on different dates.

Certificate of Power of Attorney

This Place Holder shall be reproduced and included without change in the Bid Documents. It shall be replaced in the Contract Documents with executed originals provided from the bonding company. Provide one for each bond if signed on different dates.

Certificates of Insurance

This Place Holder shall be reproduced and included without change in the Bid Documents. It shall be replaced in the Contract Documents with executed originals provided from the insurance company as required in AIA Document A201-2007 with RD Instruction 1942-A, Guide 27, Attachment 4 (08-26-98) **or** RD Instruction 1942-A, Guide 19, Attachment 9 (1-15-79).

Certificate of Owner's Attorney

This shall be RD Instruction 1942-A, Guide 18, Page 7 (02-19-86). This shall be reproduced and included without change in the Bid Documents. It shall be replaced in the Contract Documents with executed originals.

Disclosure of Lobbying Activities

This shall be Standard Form LLL (Rev.7-97). This shall be reproduced and included without change in the Bid Documents. It shall be replaced in the Contract Documents with executed originals.

Compliance Statement

This shall be USDA, Form RD 400-6 (Rev. 4-00). This shall be reproduced and included without change in the Bid Documents. It shall be replaced in the Contract Documents with executed originals.

Certificate Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

This shall be USDA, Form RD 1048 (Rev. 1-92). This shall be included in the Bid Documents. ***The bidding Contractors shall execute and submit it with the bid.*** The selected Contractor's executed original shall be replaced in the Contract Documents.

Contract Concurrence

This shall be RD Instruction 1942-A, Guide 18, Page 8. This shall be reproduced and included without change in the Bid Documents. It shall be executed during the Preconstruction Conference.

Notice to Proceed

This shall be RD Instruction 1942-A, Guide 19, Attachment 8 (1-28-81). This shall be reproduced and included without change in the Bid Documents. It shall be executed during the Preconstruction Conference or as determined during the Conference.

General Conditions of the Contract for Construction

This shall be AIA Document A201-2007 with RD Instruction 1942-A, Guide 27, Attachment 4. *The Architect/Engineer shall add the number of copies provided in the attachment blank space.* This shall be reproduced and included without other changes in the Bid Documents.

Labor Standards Provisions (if required)

This shall be RD Instruction 1940-C, Exhibit A (10-30-96). This shall be reproduced and included without change in the Bid Documents only if Davis-Bacon wage rates apply to the Project. *The funding source will determine if this is applicable.* Most Projects *will not* require Davis-Bacon; contact the Area Office of USDA Rural Development for additional information.

The appropriate (construction type and construction location) and current wage rates shall be downloaded by the Project Architect from the Department of Labor web page and included in the Project Manual. The wage rates must be within two weeks of the bid opening date. If wages change after the documents are released for bidding and before two weeks of the bid opening date, then an addendum must be issued to update the wages.

Discovery of Cultural Materials

This page shall be reproduced and included without change in the Bid Documents. Confirm if the phone numbers listed are current.

Clean Air Act and Water Pollution Control Act Requirements

This page shall be reproduced and included without change in the Bid Documents. It shall be replaced in the Contract Documents with the executed original.

Change Order

This may be AIA Document G701 with USDA Rural Development signature page attached.

Or

This may be Form RD 1924-7 (2-97).

Application and Certification for Payment

This shall be AIA Documents G702, Application and Certification for Payment and G703, Continuation Sheet, with USDA Rural Development signature page attached.

Certificate of Contractor's Release

This shall be Form RD 1924-9 (1-98).

Release by Claimants

This shall be Form RD 1924-10 (1-98).

Builder's Warranty

This shall be Form RD 1924-19 (1-00).

Certificate of Substantial Completion

This shall be AIA Document G704 with USDA, Rural Development signature page attached.

Addenda

This page shall be reproduced and included without change in the Bid Documents as a Place Holder. Addenda are issued after the Plans and Specification have been released for bidding, but before the bid opening. Any that may be issued shall be placed in the Contract Documents. USDA must review and accept all addenda.

Trade or Technical Specifications

The Architect/Engineer shall include sections in the Construction Specification Institute (CSI) format that apply to the Project's Scope of Work. Closed specifications are not allowed for Agency funded projects. There must be maximum open and free competitive bidding.

Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make clear and accurate description of the technical requirements, a "brand name or equal" description may be used to define the performance or other salient requirements of a procurement. The specific features of the named brands which must be met by offerors shall be clearly stated.

7 Construction Methods

The options available for construction procurement are identified in RD Instruction 1942-A, 1942.18(k) thru 1942.18 (l)(8). The regulations cover this subject relatively well. The preferred method is by competitive sealed bids.

Design/Build contracts, Construction Manager at risk contracts, and Construction Manager as advisor contracts are allowed under the regulations. The Agency has seen an increase in these procurement methods in recent years, but still considers them to be unconventional. National Office approval is required for larger projects using

these methods and this will add additional time and effort to the Project. Owners should decide if these methods warrant the additional effort. Contact the Area Office in regard to an Administrative Notice issued on this subject for additional information.

8 Pre-Construction Conference

Prior to beginning construction, the Owner will schedule a Pre-Construction Conference where Rural Development will review the planned development with the Owner, the Architect or Engineer, Resident Inspector, Attorney, Contractor(s), and other interested parties.

The conference will thoroughly cover applicable items included in Form RD 1924-16, "Record of Pre-construction Conference", and the discussions and agreements will be documented. It is important that all parties come prepared to answer questions regarding their portion of the work.

A minimum of four copies of the Construction Documents (Drawings and Project Manual) and Record of the Pre-Construction Conference provided by the Owner shall be signed by the Owner, Architect, Contractor, and Agency. After these have been executed each party will retain one set of the documents as the official documents for the Project.

The Contractor shall present a proposed Construction Schedule and Schedule of Values for the parties to review. The Notice to Proceed is issued during the conference and the schedule is directly affected by that Notice. Some pre-meeting communication should occur that allows some assumptions about the Construction Schedule. The Notice to Proceed and the Agency's Concurrence should be executed in each of the four official set of documents.

Occasionally issues arise where the Notice to Proceed and thus the Concurrence cannot be issued during the meeting. This should be avoided by proper pre-planning of the meeting if at all possible. If it occurs, the official documents can be executed and distributed later through the mail.

The intent of the conference is to move the Project forward with a real exchange and understanding of information. This is the only time that all parties involved in the Project may be together in the same location. Any items that could be discussed should be, so all parties hear and understand the same information.

The Architect/Engineer shall lead the conference and may use Form RD 1924-16 as an outline and record. The documented record shall be copied, signed by the appropriate parties and distributed. It is recommended that the record be pre-filled by the Architect as much as possible before the meeting. It then can be used as an agenda and this expedites the meeting. New discussions during the meeting that were not anticipated can always be added or attached by hand and copied for signatures and distribution.

9 Daily Inspection Report

A Resident Inspector is required for all construction unless a written exception is made by Rural Development upon request of the Owner. The Owner shall submit a resume of the inspector's qualifications to the Architect/Engineer and Rural Development for acceptance. The resume should explain the level of construction knowledge and provide verifiable references.

The inspector may be supplied by the Architect, Engineer, Owner, or other individuals that have construction knowledge. The cost, if any, shall be identified in the Project Cost. The experience level of the Resident Inspector shall be appropriate for the complexity of the Project.

The Resident Inspector shall maintain a record of the daily construction progress in the form of a daily diary and daily inspection report. Form RD 1942-A, Guide 11 may be used as a guide for this report.

A complete set of all daily construction records will be maintained and the original set furnished to the Owner upon completion of construction. All entries shall be legible and shall be made in ink. Daily entries shall include but not be limited to the date, weather conditions, number and classification of personnel working on the site, equipment being used to perform the work, persons visiting the site, accounts of substantive discussions, instructions given to the contractors, directions received, all significant or unusual happenings involving the work, any delays, and daily work accomplished. The daily entries shall be made available to Rural Development personnel and will be reviewed during project inspections.

10 Documents Check List

The Project Check List may be used to organize the documents and check submittals. They act as a quick reference for understanding what requirements are included or missing in the documents.

Bid Documents Check List:

This is what will be made available to the contractors to bid on the Project. Many Architects use this to assist them in organizing the Project Manual index. The Architect will complete their portion of the forms specific to the Project.

Construction Documents Check List:

This is what will be made available to the selected contractor awarded the contract to build the Project. The Architect and Contractor will update portions of the forms. The Contractor will replace some Place Holder "Bid Forms" with the proper documents (example: Certificate of Insurance).