



**United States Department of Agriculture  
Rural Development**

**-Agency Supplement to the Request for Proposal-**

**Notice to Proposers on the Applicability of Federal Requirements  
for Projects Receiving Federal Financial Assistance from the  
US Department of Agriculture, Rural Development (the Agency)**

1. Submitting a Proposal

Proposals shall be signed and dated by an officer duly authorized to submit a proposal on behalf of the business or company. By authorized signature, the Proposer testifies that the proposal has been derived independently and without collusion with any other proposer. Proposals shall remain valid for \_\_\_ days from the RFP closing date. Proposer shall bear all costs associated with preparing and submitting a proposal and neither the Owner nor Agency is liable to reimburse the Proposer for any incurred cost associated with the preparation and submittal of the proposal.

2. Award of Contract

The Owner will evaluate proposals based on the selection criteria and submittal requirements of the RFP and reserves the right to waive any informalities or minor defects of a proposal. The selection of a proposal by the Owner does not constitute a contractual agreement between Proposer and Owner. If selected, the Proposer agrees to enter contract negotiations with the Owner where the Owner may adopt all or part of a proposal or negotiate changes in the scope of work with the goal of reaching a firm fixed or guaranteed maximum price agreement. The Proposer is hereby notified that liquidated damages may be written into the contract agreement. If during contract negotiations the parties are unsuccessful at reaching an agreement within the stipulated time, the Owner reserves the right to negotiate a contract with the next qualified proposer. All contracts will incorporate language that the agreement is not in full force and effect until concurred by the Agency; and concurrence shall in no way commit the Agency to render financial assistance to defray the cost of the services provided under the agreement.

3. Equal Employment Opportunity

All contracts awarded in excess of \$10,000 shall contain a provision requiring compliance with Executive Order 11246, entitled, "Equal Employment Opportunity,"

*USDA Rural Development is committed to helping improve the economy and quality of life in rural America.  
Through our programs, we help rural American s in many ways. Together, America Prospers.  
USDA is an equal opportunity provider, employer, and lender*

as amended by Executive Order 11375, and as supplemented by Department of Labor Regulations 41 CFR Part 60. If selected to enter into written contract and when monetarily applicable, the Proposer shall complete, sign and submit:

Form RD 400-6 "Compliance Statement"

4. Debarment and Suspension

Proposers shall not be currently debarred or suspended from participating in a federally funded program, project or activity receiving federal financial assistance. Screening proposers for compliance to this provision is the responsibility of the prime recipient of the federal assistance.

5. Restrictions on Lobbying

Federal Law and Agency regulations require that parties to an agreement in excess of \$100,000 sign a certification statement indicating they have not nor will not use appropriated funds to lobby representatives of the Federal Government to approve the borrower's application for financing. They must also pledge to disclose any such lobbying activities that are paid from other funding sources. If selected to enter into written contract and when monetarily applicable, the Proposer shall complete, sign and submit:

RD Instruction 1940-Q Exhibit A-1 Certification for Contracts, Grants, and Loans

Standard Form - LLL, "Disclosure of Lobbying Activities (when applicable)"

6. Insurance

If selected to enter into written contract, the Proposer shall purchase and maintain liability and workers' compensation insurance for the type specified, and not less than the limits identified in the contract documents or as required by law. For construction projects, Builder's All-Risk insurance shall also be purchased by the Proposer if not carried by the Owner and shall name the Owner as additionally insured.

7. Indemnification

If selected to enter into written contract, the Proposer shall indemnify and hold harmless the Owner, Owner's employees and agents, and the Agency against lawsuits, claims, damages or losses arising out of or resulting from the performance of the Work.

8. Surety

Construction contracts in excess of \$100,000 shall require the Contractor to furnish payment and performance bonds in the amounts of 100% of the contract sum. A bank letter of credit or a cash deposit in escrow may be acceptable alternatives but must be approved by the Agency. If selected to enter into written contract and when

monetarily applicable, the Proposer may be required to complete and submit:

- RD Instruction 1942-A Guide 19 Attachment 5 – Performance Bond
- RD Instruction 1942-A Guide 19 Attachment 6 – Payment Bond

9. Permits, Licenses and Taxes

If selected to enter into written contract, the Proposer shall be responsible for obtaining and paying for any and all permits, licenses and taxes that may be necessary for the proper execution and completion of the Work, and successful delivery of the project in conformance with the contract documents and specifications.

10. Compliance with Applicable Laws

If selected to enter into written contract, the Proposer shall be responsible for compliance with all applicable Federal, State and local laws, regulations and ordinances for the proper execution and completion of the Work, and successful delivery of the project in conformance with the contract documents and specifications.

11. Sole Responsibility

If selected to enter into written contract, the Proposer agrees not to transfer, assign or sublet the Work or any interest in the contract without written consent of the Owner.

12. Unacceptable Bidder

An engineer or architect who has or is currently assisting the Owner in the preparation of reports, studies, schematics, plans, specifications, cost estimates for the project, or act in any capacity as an agent of the Owner, will not be allowed to bid on or negotiate for, a contract or subcontract related to the construction of a project.

13. Prohibition on Sole Sourcing

Proposers shall not submit proposals or develop design solutions which rely on the acquisition or use of proprietary products, systems or equipment, or in any way restrict “Free and Open” competition among suppliers, vendors and manufacturers.

14. Pre-Construction Conference

For construction projects, a pre-construction conference is mandatory for all contracts over \$250,000. If selected to enter into written contract and when monetarily applicable, the Proposer shall attend a pre-construction conference. The Notice to Proceed shall not be issued prior to completion of the pre-construction conference.

15. Project Close-Out and Warranty

The Work shall be warranted for a period not less than one year from the date of substantial completion and shall be free from liens. The Proposer shall be available to

conduct an 11-month warranty inspection with the Owner, Owner's consultant(s) and Agency, and shall rectify any defective work identified through the warranty period. If selected to enter into written contract, upon project completion, the Proposer shall complete, sign and submit:

- Form RD 1924-9 Certificate of Contractor's Release from Claims /  
Acknowledgement of the Receipt of Full Payment
- Form RD 1924-10 Release by Claimants / lien releases
- Form RD 1924-19 Builder's Warranty