§ 1788.49 Contractors’ bond requirements.

Construction contracts in amounts in excess of $250,000 for facilities shall require contractors to secure a contractors’ bond, on a form approved by RUS, attached to the contract in a penal sum of not less than the contract price, which is the sum of all labor and materials including owner-furnished materials installed in the project. RUS Form 168b is for use when the contract exceeds $250,000. RUS Form 168c is for use when the contractor’s surety has accepted a Small Business Administration guarantee and the contract is for $1,000,000 or less. For minor construction contracts under which work will be done in sections and no section will exceed a total cost of $250,000, the borrower may waive the requirement for a contractors’ bond.

§ 1788.50 Acceptable sureties.

Surety companies providing contractors’ bonds shall be listed as acceptable sureties in the U.S. Department of Treasury Circular No. 570. The circular is maintained through periodic publication in the Federal Register and is available on the Internet under ftp://ftp.fedworld.gov/pub/tel/sureties.txt, and on the Department of the Treasury’s computer bulletin board at 202-874–6817.

§§ 1788.51–1788.53 [Reserved]

§ 1788.54 Compliance with contracts.

It is the responsibility of the borrower to determine, before the commencement of work, that the engineer, architect, and the contractor have insurance that complies with their contract requirements.

§ 1788.55 Providing RUS evidence.

When RUS shall specifically so direct, the borrower shall also require the engineer, the architect, and the contractor, to forward to RUS evidence of compliance with their contract representative of the insurance company and include a provision that no change in or cancellation of any policy listed in the certificate will be made without the prior written notice to the borrower and to RUS.