Section 5. License. The Seller shall comply with all applicable construction codes.

(a) The Seller warrants that he possesses contractor's license number \_\_\_\_\_ issued to him by the State of \_\_\_\_\_ in which the work is located, and said license expires on \_\_\_\_\_, 19\_\_\_\_.

(b) The Seller warrants that no license is required in the State in which the work is located.

(Cross out that subsection which does not apply.)

Section 6. Nonassignment of Contract. The Seller will not assign the Contract effected by acceptance of this Proposal, or any part thereof, or enter into any contract with any person, firm or corporation, for the performance of the Seller's obligations hereunder or any part hereof, without the approval in writing of the Purchaser and the Surety or Sureties on the Contractor's Bond or Bonds, if any; provided, however, the Seller may subcontract the whole or any part of the installation work to be performed at the installation site (as distinguished from furnishing and delivery of equipment and materials). If the Seller, with the consent of the Purchaser and the Surety or Sureties on the Contractor's Bond or Bonds, if any, shall enter into any subcontract with any subcontractor for the Performance of any part of the installation work to be performed at the installation site, the Seller shall be as fully responsible to the Purchaser and the United States of America for the acts and omissions of such subcontractor and of persons employed by such subcontractor as the Seller would be for its own acts and omissions and those of persons directly employed by it.

Section 7. Approval of the Administrator. The acceptance of this Proposal by the Purchaser shall not create a contract unless such acceptance shall be approved in writing by the Administrator within ninety (90) days after the date of the Proposal.

Seller	
By	
Title	
Date of Proposal	

(If executed by one other than President, Vice-President, a partner or the individual owner, a power of attorney authorizing execution should accompany this proposal.)

## Acceptance

Subject to the approval of the Administrator,
the Purchaser hereby accepts the
Proposal of (Dated) for
the Equipment herein described for the
Total Base Price of \$ and the
following options for:
Spare Parts \$
Maintenance Tools \$
Test Equipment \$
Other Options: (Describe) \$
Total Contract Price \$
Purchaser
By President
Attest Secretary
Date of Acceptance

[End of clause]

## § 1726.342 Distribution line extension construction contract (labor and materials), RUS Form 790.

The contract form in this section shall be used when required by this part.

Distribution Line Extension Construction Contract (Labor and Materials)

## Proposal

To: \_\_\_\_\_ (hereinafter called the "Owner").

## Article I-General

Section 1-Offer to Construct. The undersigned (hereinafter called the "Contractor") hereby proposes to furnish labor, materials, and equipment for, and construct for the prices hereinafter stated, the rural electric project \_\_\_\_\_19\_ Line Extensions (hereinafter called "Project") in strict accordance with the Plans. Specifications, and Construction Drawings hereinafter referred to. The Contractor understands and agrees that the Project will consist of line extensions and additions and line changes or similar work usually associated with overhead or underground distribution system improvement or extension work all located within the area served or ultimately to be served by the Owner and that the exact location and scope of individual sections of the Project (hereinafter called "Sections") will be made known to the Contractor from time to time as provided in Article II, Section 1 hereof; and provided, however, that the Contractor shall not be obligated to start construction of any Section unless the cost of construction of the Section computed on the unit prices of this Proposal shall amount to at least dollars ) and provided further that the Owner (\$ shall be obligated to release to the Contractor for construction at least one Section pursuant to the provisions of this Proposal.

Section 2—Additional Projects. From time to time the owner and the Contractor may enter into negotiations for the performance of work at prices which may differ from those in the Proposal (such work being hereinafter called "Additional Projects"). Except as may otherwise be agreed upon in writing by the Owner and the Contractor at the time the supplemental contract for the Additional Project is negotiated, the provisions of the Contract for the Project shall apply.

Section 3—Proposal on Unit Basis. The Contractor understands and agrees that the various Construction Units considered in this Proposal are defined by symbols and descriptions in this Proposal, that the Proposal is made on a unit basis, and that the Owner may specify, as provided in Article II, Section 1 hereof, any number or combination of Construction Units which the Owner, may deem necessary for the construction of the Project. If kinds of Construction Units for which prices are not established in this Proposal are necessary for the construction of the Project, the prices of such additional Units shall be as agreed upon in writing by the Owner and the Contractor prior to the time of installation. The unit labor prices herein set forth are applicable to work performed on unenergized lines. Such unit

labor prices shall be increased by \_\_\_\_ (\_\_\_) percent for all units installed on energized lines in accordance with instructions of the Owner, as provided in Article II, Section 1g.

Section 4—Description of Contract. The Specifications and Construction Drawings set forth in: RUS Form 804, Specifications and Drawings for 7.2/12.5 kV Line Construction; RUS Form 803, Specifications and Drawings for 14.4/24.9 kV Line Construction; RUS Form 806, Specifications and Drawings for Underground Electric Distribution; as applicable, which by this reference are incorporated herein, together with the Plans, Proposal and Acceptance constitute the Contract. The Plans, consisting of maps and special drawings, and approved modifications in standard specifications are attached hereto and identified as follows:

Section 5—Familiarity with Conditions. The Contractor acknowledges that it has made a careful examination of the site of the Project and of the Plans, Specifications and Construction Drawings, and has become informed as to the location and nature of the proposed construction, the transportation facilities, the kind and character of soil and terrain to be encountered, the kind of equipment, tools, and other facilities required before and during the construction of the Project and has become acquainted with the availability status of materials and with the labor conditions which would effect work on the Project.

Section 6—License. The Contractor warrants that a Contractor's license is \_\_\_\_\_ is not \_\_\_\_\_ required, and if required, it possesses Contractor's License No. \_\_\_\_\_ for the State of \_\_\_\_\_ in which the Project is located, and said license expires on \_\_\_\_\_, 19\_\_\_\_.

Section 7—Contractor's Resources. The Contractor warrants that it possesses adequate financial resources for the performance of the work covered by this Proposal and that it will provide necessary tools and equipment and a qualified superintendent and other employees.

Section 8-Changes in Construction. The Contractor agrees to make such changes in construction previously installed in the Project by the Contractor as required by the Owner on the following basis: The cost of labor shall be the reasonable cost thereof as agreed upon by the Contractor and the Owner but in no event shall it exceed two (2) times the labor price quoted in the Proposal for the installation of the unit to be changed. Such compensation shall be in lieu of any other payment for the installation and removal of the original unit but shall not include the cost of the installation, if any, of a new or replacing unit, payment for which shall be made at the unit price as quoted in the Proposal.

No payment shall be made to the contractor for correcting errors or omissions on the part of the Contractor which result in construction not in accordance with the Plans and Specifications.

Section 9—Materials and Equipment. The Contractor agrees to furnish and use in the construction of the Project under this Proposal, only such materials and equipment as are included on the current "List of