How to Apply for Rural Development (RD) Funds

• WEP Program Updates
• WEP Engineering Updates
  • Preliminary Engineering Reports
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## South Carolina WEP Obligations  
**FY2016 – FY2020**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Loans</th>
<th>Amount of Loans Funds</th>
<th>Number of Grants</th>
<th>Amount of Grant Funds</th>
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<tbody>
<tr>
<td>2020</td>
<td>1</td>
<td>$10,843,000</td>
<td>1</td>
<td>$2,000,130</td>
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<tr>
<td>2019</td>
<td>13</td>
<td>$14,613,000</td>
<td>14</td>
<td>$15,938,970</td>
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<td>2018</td>
<td>23</td>
<td>$98,886,172</td>
<td>11</td>
<td>$18,106,700</td>
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<td>2017</td>
<td>11</td>
<td>$48,661,000</td>
<td>7</td>
<td>$11,328,750</td>
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<td>2016</td>
<td>10</td>
<td>$63,175,000</td>
<td>11</td>
<td>$9,115,300</td>
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<td><strong>Totals</strong></td>
<td><strong>58</strong></td>
<td><strong>$236,175,175</strong></td>
<td><strong>44</strong></td>
<td><strong>$56,489,850</strong></td>
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**Total Funds = $292,668,022; Total Projects = 102**
Current Interest Rates

• Market Rate – 3.000%
• Intermediate Rate – 2.375%
• Poverty Rate – 1.750%

***Note that these rates will expire on December 31, 2019. Interest Rates are updated quarterly.
RD Apply

• We are using the new automated RD APPLY application system
• Our Goal for this year is to have 75% or more of our applications uploaded through RD APPLY
• Don’t be afraid of it
• Those that have been using it, like it and see that it will reduce paper, gas and time
RD Apply

• RDAPPLY – eAuth Steps

• Accessing RD Apply requires a Level 2 eAuth Account. eAuth is the Security System that RD Apply and many other USDA Public applications utilize
Funding Under the Continuing Resolution

- We are requesting funds at this time from the N.O. for completed applications
- We have not been told what our allocation will be for this year, but we are anticipating that it will be close to what we received last year
- Get your applications in RD APPLY!!
Preliminary Engineering Report (PER)

- A required report for identifying key characteristics and design analysis for Water and Environmental Projects
- 7 CFR 1780.33, Application Documents
- RUS Bulletin 1780-2
- Other regulations (e.g. 2 CFR 200)
PER Preparation Options

- Streamline PER (Currently being pilot)
- Paper Copy in accordance with RUS Bulletin 1780-2 or use electronic PER (ePER)
Streamline PER (Pilot)

- Based on RUS Bulletin 1780-2, Preliminary Engineering Reports for the Water and Waste Disposal Program
- Used for projects that do not require alternative analysis
- Use of RD Apply is required
- Not recommend for use with ePER
Eligible Project Types

- SCADA
- Meters
- Metering Equipment
- Replacement of pump(s)
- Replacement of valve(s)
- Replacement of fire hydrant(s)
- Non treatment process equipment

- Purchase of office equipment
- Purchase of vehicles
- Purchase of existing water rights
- Replacement of existing water and sewer lines and related appurtenances
- Installation of new water or sewer lines
• Building structural repairs, minimal modifications, or replacement in kind of non treatment process related items where there are no technically feasible alternatives.
• Tank repaint and repairs; eligible only if the repairs are not greater than 50% of the cost to replace the existing tank.
• Modifications to an existing well or tank as long as the capacity or storage is not being increased. Must provide estimate of water loss (ex. Complete demand table).
• New utility service connections to individual users or construction.....
Fillable PDFs

- Fillable PDFs for specific project types:
  - Drinking Water Only
  - Wastewater Only
  - Combo (Drinking Water and Wastewater)
- The Engineer may use the fillable PDF or provide their own document with the applicable information as outlined in the fillable PDF.
Streamline PER Typical Format

- Cover Page
- Executive Summary
- Project Planning Area
- Existing Facilities
- Need for Project
- Proposed Project

Appendices
- A – Project Maps
- B – Existing System Summary
- C – Existing/Proposed Usage Information
- D – Health & Sanitary Documentation (If Applicable)
- E – Overall Project Schedule
- F – Cost Estimates (Proposed Project)
- G – Annual O&M/Short Lived Assets
PER with Alternatives

- Project Planning
- Existing Facilities
- Need for Project
- Alternatives Considered
- Selection of an Alternative
- Proposed Project
- Conclusions and Recommendation
General PER Reminders

• Service Area Map
• Health & Sanitary Documentation
• Schedule
• Project Cost
• AIS Requirements
Engineering Agreement Checklist

- EJCDC E-500 2014 Edition – Agreement Between Owner and Engineer for Professional Services
- AD 1048 – Certification Regarding Debarment Lower Tier Form – This form should be submitted regardless the amount of the total engineering fee.
- RD Instruction 1940-Q Exhibit A-1 – This form should be submitted for engineering service contracts and subcontracts that exceed $100,000 at any tier.
- Disclosure of Lobbying Activities form – This form should be submitted for engineering service contracts and subcontracts that exceed $100,000 at any tier.
- Completed/Signed RUS Certification Page (RUS Bulletin 1780-26, Exhibit C)
Procurement Methods

• Micro-Purchase (2 CFR 200.320.a) –
  • Not to exceed $10,000
  • To the extent practicable, solicit adequate number of quotes among qualified suppliers. However, Micro-Purchases may be awarded without solicitating competitive quotations if the non-Federal entity considers the price reasonable.
• American Iron and Steel Requirements are not applicable
• What to provide Agency:
  • Copies of what was sent to Suppliers for solicitation of quotes
  • Summary of results of the quotes and how they were evaluated
  • Copy of all the quote packages
  • Recommendation from Owner
Procurement Methods

- **Small Purchase (2 CFR 200.320.b)** –
  - $10,001 to $250,000
  - Price or rate quotations must be obtained from an adequate number of qualified sources.
  - Recommend using EJCDC C-522 Contract for Construction of a Small Project
  - American Iron and Steel Requirements are applicable (Consult w/RD State Engineer)
- **What to provide Agency:**
  - Copies of what was sent to Suppliers for solicitation of quotes
  - Summary of results of the quotes and how they were evaluated
  - Copy of all the quote packages
  - AIS Documents
  - Recommendation from Engineer, if Applicable
  - Recommendation from Owner
Procurement Methods

- Procurement by Competitive Proposals (2 CFR 200.320.d) –
  - Over $250,000
  - Must be publicized
  - Typical Bid Period – 30 days
  - Identify all evaluation factors and their relative importance
  - The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients
  - American Iron and Steel Requirements are applicable (Consult w/RD State Engineer)
Procurement Methods

• Procurement by Competitive Proposals (2 CFR 200.320.d) –
  • What to submit to Agency for Review
    • Advertisement for Bids
    • Request for Proposal and any Addendums
    • Copy of Proposals (only whom awarded)
    • Documentation of how the proposals were evaluated (rating summary, etc.)
    • Engineer Recommendation Letter
    • Owner Recommendation Letter
Procurement Methods

• Procurement by Sealed Bids (2 CFR 200.320.c) –
  • Over $250,000
  • Bids are publicly solicited and firm fixed price contract is awarded
  • Firm fixed price contract is awarded to the responsible bidder whose bid is the lowest in price
  • Typical Bid Period – 30 days
  • American Iron and Steel Requirements are applicable
  • EJCDC C Series 2013 Documents are recommended for use
    • Modify using RUS Bulletin 1780-35 (dated August 20, 2017)
Procurement Methods

• Procurement by Sealed Bids (2 CFR 200.320.c) –
  • What to submit to Agency for Review
    • PER and/or Environmental Addendums, if applicable
    • Specifications
    • Plans
    • Breakdown of how Liquidated Damages was Calculated
    • Copies of all approved Federal, State, Local, etc. Permits
    • Updated Project Cost Recap and Detailed Cost Estimate
    • Updated Project Schedule
    • RPR Resume(s) with Approval Letter from Applicant
    • Engineer submit signed copy of RUS Bulletin 1780-26, Exhibit J and RUS Bulletin 1780-35, Exhibit B (Who signs this Form? The Engineer who seals the plans/specifications)
AIS Waivers

• De Minimis Waiver
  • Various miscellaneous low-cost components that are essential for, but incidental to, the construction and are incorporated into the physical structure of the project
  • Funds used for such de minimis incidental components cumulatively may comprise no more than at total of 5% of the total cost of the materials used in and incorporated into a project
  • The cost of an individual item may not exceed 1% of the total cost of the materials used in and incorporated into a project.
  • Examples: small washers, screws, fasteners, miscellaneous wire, etc.
  • No expiration on waiver
  • Bid Documents should include the Agency DeMinimis Waiver Project Cost Spreadsheet. This will be required to be submitted with each pay estimate for the project
AIS Waivers

• **Minor Components Waiver**
  • Components within an iron and/or steel product otherwise compliant with the AIS requirements
  • Non-domestically produced miscellaneous minor components comprising up to 5% of the total material cost of an otherwise domestically produced iron and steel product to be used.
  • This waiver does not exempt the whole product from the AIS requirements only minor components within said product and the iron or steel components of the product must be produced domestically
  • Examples: pins and springs, springs in valves/hydrants, bands/straps in couplings, etc.
  • No expiration on waiver
AIS Waivers

• Stainless Steel Nuts/Bolts Waiver
  • Purchase and use of stainless steel nuts and bolts of unknown or non-domestic origin in bolting-type pipe couplings, restraints, joints, and repair saddles for water and waste projects funded by WEP.
  • Waiver will expire on February 24, 2020, concurrent with EPA national short-term waiver for stainless steel nuts and bolts.

• Pig Iron Waiver
  • Use of pig iron and direct reduced iron manufactured outside of the United States in domestic manufacturing processes for iron and steel production that are subsequently used in iron and steel products for water and waste projects funded by WEP.
  • No expiration on waiver

• Project Specific Waiver
  • Guidance in 1780-35
Recommendation to Award Review Checklist

- Affidavit of Publication of Bid Advertisement
- Certified Bid Tabulation
- Low Bidder Bid Form
- Low Bidder Bid Bond
- Compliance Statement RD 400-6
- Certificate Regarding Debarment AD-1048
- Certificate for Contracts… 1940-Q Exh A-1
- Disclosure of Lobbying Activities
- Engineer's Written Recommendation to the Owner
- Request from Owner to RD for Concurrence to Award the Contract
Contract Documents Review Checklist

1) Notice of Award
2) Agreement
3) Performance Bond
4) Payment Bond
5) Power of Attorney for Bonds
6) Certificate of Contractors Insurance
7) Certificate of Owner’s Attorney
8) RD Signature/Date
Contract Document Submittal Process

• Once the Engineer receives the Contract Documents from the Contractor they may submit to RD for review via email in order to expedite the scheduling the Pre-Construction Conference.

• Items 1-6 on the previous slide should be submitted.

• The Owner and their Attorney should execute the remainder of Contract Documents prior to or at the Pre-Construction Conference.

• RD State Engineer will review final documents at Pre-Construction Conference and Sign.
Preconstruction Conference

• Preconstruction Conference can be scheduled once the Specialist/State Engineer have approved the Contract Documents (partial)
• Owner/Consultant Engineer Conduct the Meeting
• Who should be in attendance (at a minimum)
  • Owner
  • Engineer(s)
  • Contractor(s)
  • Resident Inspector Representative(s)
  • RD Area Specialist
  • RD State Engineer
• Owner/Engineer may use their own Preconstruction Conference Agenda
• At a minimum the Owner and/or Engineer discussion items should be those outlined on RD Form 1924-16. The RD Form 1924-16 is not required to be used by the Owner and/or Engineer.
• The Agenda should have signature lines like shown on RD Form 1924-16 or the last page of the RD Form 1924-16 may be used for signature as an attachment.
• RD State Engineer will discuss AIS requirements
American Iron and Steel After Preconstruction Conference

- Ensure that all manufacturer certifications are obtained for the project
- Ensure that all Change Orders and PPE comply with AIS requirements
- Keep all certification letters in the project file
- Notify the Agency when the bulk of stored materials is on site so that an AIS inspection may be scheduled
- Ensure that RPR is taking pictures and keeping daily logs to support AIS compliance

Substantial Completion
- Provide the Contractor’s certification letter (Exhibit C of 1780-35) to the Agency
- Provide a list of manufacturers for all AIS products used in the project to the Agency. The list should include manufacturer name, location and product.
- Copies of engineer’s, contractors, and manufacturers’ certification letters to the Owner