

SAN SIMEON COMMUNITY SERVICES DISTRICT  
San Simeon, California

PROJECT NO. 2018-17

FOR THE CONSTRUCTION OF  
WATER SYSTEM IMPROVEMENT PROJECT PHASE 1 – STORAGE TANK ONLY  
ADDENDUM NO. 4

DECEMBER 17, 2019

Specifications and Drawings for Project No. 2018-17 are hereby modified as follows:

**CLARIFICATIONS:**

- Item AD4-1 The bid date has been changed to Thursday, January 9, 2020. The bid time remains the same.
- Item AD4-2 This project is for the design of the potable water tank, coordination with the existing District Design Team (civil, mechanical, electrical, instrumentation), manufacturing and construction of a 400,000-gallon potable water above grade welded steel tank. Coordination with the site grading contractor (not part of this contract) will be necessary. The site grading Contractor will provide the rough grade for the site as well as a certified pad for the tank. As part of this contract, the tank manufacturer will be required to install the underground piping and tank supports (foundation, footing, etc.) to a point located outside of the tank footprint (first flange or 5 feet).
- Item AD4-3 It is intended that this project will not require export of soil materials. Onsite spreading of excavated materials can be accommodated.
- Item AD4-4 The laydown area for equipment and materials during construction will be the fenced area around the work site (approximately a half acre).
- Item AD4-5 Construction surveying is required per Specification Section 01500-1.11.
- Item AD4-6 The District will provide construction water per Special Conditions Section 5-3.
- Item AD4-7 This project will involve the design of a 400,000-gallon water tank. That tank will have to be compliant with the code requirements in effect at the time of contract execution (2020). Wave (sloshing) height requirements, restraints, etc., required for compliance with AWWA Standards and the State of California requirements is to be included in the design. The elevation of the proposed tank pad shown on the plans is the elevation to be used (178.45). The water tank top elevation should be 202.45 (24-foot-tall tank). Modification of the tank diameter to allow for 400,000 gallons of storage to account for the required free board is anticipated. The site

grading is as shown on Sheet C-02 (177.95 to 177.65) around the outside of the tank.

**BID DOCUMENTS:**

- Item AD4-8 Replace USDA RD Instruction 1940-Q, Exhibit A-1 (page 53 of the Bid Document) with the attached USDA RD Instruction 1940-Q Exhibit A-1.
- Item AD4-9 Insert the USDA Rural Development American Iron and Steel Requirements document (attached) after the RD Instruction 1940-Q packet (before the Agreement Section). This packet is required to be included in the Bid Documents submitted at the time of bid.

**SPECIFICATIONS:**

- Item AD4-10 Insert the following in the Special Conditions as the last paragraph:

**“SECTION 10 – SUPPLEMENTARY USDA CONDITIONS**

SC-1.01.A.8 Add the following language at the end of last sentence of Paragraph 1.01.A.8:

The Change Order form to be used on this Project is EJCDC No. C-941. Agency approval is required before Change Orders are effective.

SC-1.01.A.48. Add the following language at the end of the last sentence of Paragraph 1.01.A.48:

A Work Change Directive cannot change Contract Price or Contract Times without a subsequent Change Order.

SC-1.01.A.49 Add the following as a new Paragraph after Paragraph 1.01.A.48:

Abnormal Weather Conditions - Conditions of extreme or unusual weather for a given region, elevation, or season as determined by Engineer. Extreme or unusual weather that is typical for a given region, elevation, or season should not be considered Abnormal Weather Conditions.

SC-1.01.A.50 Add the following as a new Paragraph after Paragraph 1.01.A.49:

Agency – USDA Rural Development. This Project is financed in whole or in part by the USDA Rural Utilities Service (RUS) pursuant to the Consolidated Farm and Rural Development Act (7 USC Section 1921 et seq.). RUS funding programs are administered through the USDA Rural Development offices; therefore, the Agency for these contract documents is USDA Rural Development.

SC-1.01.A.51 Add the following as a new Paragraph after Paragraph 1.01.A.50

American Iron and Steel (AIS) Requirements – Refers to requirements mandated by Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference.

SC-2.02.A Replace the first sentence of Paragraph 2.02.A with the following:

Owner shall furnish to Contractor five copies of the Contract Documents (including one fully executed counterpart of the Agreement), and one copy in electronic portable document format (PDF).

SC-4.01.A Replace the last sentence of 4.01.A with the following:

In no event will the Contract Times commence to run later than the sixtieth day after the day of Bid opening or the thirtieth day after the Effective Date of the Contract, whichever date is earlier.

SC-4.05.C.2 Replace the list in Paragraph 4.05.C.2 with the following:

Abnormal Weather Conditions.

SC-5.03. Add the following new paragraphs immediately after Paragraph 5.03.B

C. The following reports of explorations and tests of subsurface conditions at or adjacent to the Site are known to the Owner:

1. Report September 2018, Oakridge Geoscience Geotechnical Report. The Technical Data contained in such report upon whose accuracy Contractor may rely are those indicated in the definition of Technical Data in the General Conditions.

D. The following drawings of physical conditions relating to existing surface or subsurface structures at or adjacent to the Site (except underground facilities) are known to the Owner:

1. None.

E. Contractor may examine copies of reports and drawings itemized in SC-5.03.C and SC-5.03.D that were not included with the Bidding Documents at the SSCSD District Office during regular business hours or may request copies from Engineer.

SC-5.06 Delete Paragraphs 5.06.A and 5.06.B in their entirety and insert the following:

A. No reports or drawings related to Hazardous Environmental Conditions at the Site are known to Owner.

B. Not Used.

SC-7.03 Add the following as sentence 7.03.d. after Paragraph 7.03:

All iron and steel products must meet American Iron and Steel requirements.

SC-7.04.A Amend the third sentence of the paragraph by striking out the following words:

Unless the specification or description contains or is followed by words reading that no like, equivalent, or “or-equal” item is permitted.

SC-7.04.A.1 Amend the last sentence of Paragraph a.3 by striking out “and:” and adding a period at the end of Paragraph a.3.

SC-7.04.A.1 Delete paragraph 7.04.A.1.a.4 in its entirety and insert the following in its place:

Deleted

SC-7.04.B.1 Add 7.04.B.1:

Contractor shall include a Manufacturer’s Certification letter for compliance with American Iron and Steel requirements in support data, if applicable.

SC-7.06.A Amend Paragraph 7.06.A by adding the following text to the end of the Paragraph:

The Contractor shall not award work valued at more than fifty percent of the Contract Price to Subcontractor(s), without prior written approval of the Owner.

SC-7.06.B Delete Paragraph 7.06.B in its entirety and insert the following in its place:

Deleted

SC-7.06.E Amend the second paragraph of Paragraph 7.06.E by striking out “Owner may also require Contractor to retain specific replacements; provided, however, that”

SC-7.12. Add the following new paragraph immediately after Paragraph 7.12.G:

H. For all excavations in excess of five (5) feet, the Contractor shall, pursuant to Labor Code Section 6705, submit in advance of any excavation hereunder a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from caving ground. No such excavation shall be made until said detailed plan is submitted by Contractor and accepted by Engineer.

SC-10.03. Add the following language at the end of paragraph 10.03:

The Duties, Responsibilities, and Limitations of Authority of the Resident Project Representative will be stated in the Agreement for Engineering Services executed for this specific Project.

SC-11.07.C Add the following new Paragraph after Paragraph 11.07.B:

All Contract Change Orders must be concurred with in writing on the required change order form by USDA Rural Development before they are effective.

SC-12.01. Add the following new paragraph immediately after paragraph 12.01.G:

H. If this is a “Public Works Contract” as defined in Section 22200 of the California Public Contract Code, claims shall be resolved pursuant to Section 9204 of the California Public Contract Code. Key provisions of that section are summarized as follows:

1. “Claim” means a separate demand by a contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:
  - (A) A time extension, including, without limitation, for relief from damages or penalties for delay assessed by a public entity under a contract for a public works project.
  - (B) Payment by the public entity of money or damages arising from work done by, or on behalf of, the contractor pursuant to the contract for a public works project and payment for which is not otherwise expressly provided or to which the claimant is not otherwise entitled.
  - (C) Payment of an amount that is disputed by the public entity.
2. Upon receipt of a claim pursuant to this section, Owner shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Upon receipt of a claim, Owner and Contractor may, by mutual agreement, extend the time period provided in this subdivision.
3. Contactor shall furnish reasonable documentation to support the claim.
4. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after Owner issues its written statement.
5. If Contractor disputes Owner’s written response, or if Owner fails to respond to a claim, Contractor may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, Owner shall schedule a meet and confer conference within 30 days for settlement of the dispute.
6. Within 10 business days following the conclusion of the meet and confer conference , if the claim or any portion of the claim remains in dispute, Owner shall provide Contractor a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after Owner issues its written statement, Any undisputed portion of the claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation with the public entity and Contractor sharing the associated costs equally. If the mediation is unsuccessful, the parts of the claim remaining in dispute shall be subject to applicable procedures outside this section.
7. Failure by Owner to respond to a claim from Contractor within the time periods described herein or to otherwise meet the time requirements of this

section shall result in the claim being rejected in its entirety. A claim that is denied by reason of the public entity's failure to have responded to a claim, or its failure to otherwise meet the time requirements of this section, shall not constitute an adverse finding with regard to the merits of the claim or the responsibility or qualifications of the claimant.

8. Amounts not paid in a timely manner as required by this section shall bear interest at the maximum legal rate.

SC-13.02.C Delete Paragraph 13.02.C in its entirety and insert the following in its place:

Deleted

SC-15.01.B Amend the second sentence of Paragraph 15.01.B.1 by striking out the following text:

“a bill of sale, invoice, or other.”

SC-15.01.B.3 Add the following language at the end of paragraph 15.01.B.3:

No payments will be made that would deplete the retainage, place in escrow any funds that are required for retainage or invest the retainage for the benefit of the Contractor. Funding for this project is provided pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. Section 1921 et seq.) and this contract does not allow for substitution of securities (as described in Public Code Section 22300) in lieu of retention.

SC-15.01.B.4. Add the following new paragraph after Paragraph 15.01.B.3

The Application for Payment Form to be used on this Project is EJCDC No. C-620. The Agency must approve all Applications for Payment before payment is made.

SC-15.01.D.1 Delete Paragraph 15.01.D.1 in its entirety and insert the following in its place:

The Application for Payment with Engineer's recommendation will be presented to the Owner and Agency for consideration, If both the Owner and Agency find the Application for Payment acceptable, the recommended amount less any reduction under the provisions of Paragraph 15.01.E will become due thirty (30) days after the Application for Payment is presented to the Owner, and the Owner will make payment to the Contractor.

SC-15.02.A Amend Paragraph 15.02.A by striking out the following text:

“no later than seven days after the time of payment by Owner” and insert “no later than the time of payment by Owner.”

SC-15.06.D Delete Paragraph 15.06.D in its entirety and insert the following in its place:

Thirty-five days after the filing of a Notice of Completion with the County Recorder and after presentation to Owner of the Application for Payment and accompanying documentation, the amount recommended by Engineer, less any sum Owner is

entitled to set off against Engineer's recommendation, including but not limited to liquidated damages, will become due and will be paid by Owner to Contractor.

## **SECTION 19 – FEDERAL REQUIREMENTS**

### SC-19.01 Agency Not a Party

A. This Contract is expected to be funded in part with funds provided by Agency. Neither Agency, nor any of its departments, entities, or employees is a party to this Contract.

### SC-19.02 Contract Approval

A. Owner and Contractor will furnish Owner's attorney such evidence as required so that Owner's attorney can complete and execute the "Certificate of Owner's Attorney" before Owner submits the executed Contract Documents to Agency for approval.

B. Concurrence by Agency in the award of the Contract is required before the Contract is effective.

### SC-19.03 Conflict of Interest

A. Contractor may not knowingly contract with a supplier or manufacturer if the individual or entity who prepared the plans and specifications has a corporate or financial affiliation with the supplier or manufacturer. Owner's officers, employees, or agents shall not engage in the award or administration of this Contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: (i) the employee, officer or agent; (ii) any member of their immediate family; (iii) their partner or (iv) an organization that employs, or is about to employ, any of the above, has a financial interest in or other interest in or a tangible personal benefit from the Contractor. Owner's officers, employees, or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractor or subcontractors.

### SC-19.04 Gratuities

A. If Owner finds after a notice and hearing that Contractor, or any of Contractor's agents or representatives, offered or gave gratuities (in the form of entertainment, gifts, or otherwise) to any official, employee, or agent of Owner or Agency in an attempt to secure this Contract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Contract, Owner may, by written notice to Contractor, terminate this Contract. Owner may also pursue other rights and remedies that the law or this Contract provides. However, the existence of the facts on which Owner bases such findings shall be an issue and may reviewed in proceedings under the dispute resolution provisions of this Contract.

B. In the event this Contract is terminated as provided in paragraph 19.04.A, Owner may pursue the same remedies against Contractor as it could pursue in the event of a breach of this Contract by Contractor. As a penalty, in addition to any other damages to which it may be entitled by law, Owner may pursue exemplary damages in an amount (as determined by Owner) which shall not be less than

three nor more than ten times the costs Contractor incurs in providing any such gratuities to any such officer or employee.

SC-19.05 Small, Minority and Women's Businesses

A. Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms. If Contractor intends to let any subcontracts for a portion of the work, Contractor must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used whenever possible. Affirmative steps must include:

- 1) Placing qualified small and minority businesses and women's enterprises on solicitation lists;
- 2) Assuring that small and minority businesses; and women's business enterprises are solicited whenever they are potential sources;
- 3) Dividing total requirements when economically feasible, into small tasks or quantities to permit maximum participation by small, minority, and women's businesses;
- 4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and
- 5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

SC-19.06 Anti-Kickback

A. Contractor shall comply with the Copeland Anti-Kickback Act (40 U.S.C. 3145) as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Buildings or Public Works Financed in Whole or in Part by Loans and Grants from the United States"). The Act provides that Contractor or subcontractor must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. Owner shall report all suspected or reported violations to Agency.

SC-19.07 Clean Air Act and the Federal Water Pollution Control Act

A. Contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

SC-19.08 Equal Employment Opportunity

A. The Contract is considered a federally assisted construction contract. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include



the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 CFR 12319, 12935, 3 CFR Part 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

SC-19.09 Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)

A. Contractors that apply or bid for an award exceeding \$100,000 must file the required certification (RD Instruction 1940-Q, Exhibit A-1). The Contractor certifies to the Owner and every subcontractor certifies to the Contractor that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining the Contract if it is covered by 31 U.S.C. 1352. The contractor and every subcontractor must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the Owner. Necessary certification and disclosure forms shall be provided by Owner.

SC-19.10 Environmental Requirements

When constructing a project involving trenching and/or other related earth excavations, Contractor shall comply with the following environmental conditions:

A. Wetlands - When disposing of excess, spoil, or other construction materials on public or private property, Contractor shall not fill in or otherwise convert wetlands.

B. Floodplains - When disposing of excess, spoil, or other construction materials on public or private property, Contractor shall not fill in or otherwise convert 100-year floodplain areas (Standard Flood Hazard Area) delineated on the latest Federal Emergency Management Agency Floodplain Maps, or other appropriate maps, e.g., alluvial soils on NRCS Soil Survey maps.

C. Historic Preservation - Any excavation by Contractor that uncovers an historical or archaeological artifact or human remains shall be immediately reported to Owner and a representative of Agency. Construction shall be temporarily halted pending the notification process and further direction issued by Agency after consultation with the State Historic Preservation Officer (SHPO).

D. Endangered Species - Contractor shall comply with the Endangered Species Act, which provides for protection of endangered and/or threatened species and critical habitat. Should any evidence of the presence of endangered and/or threatened species or their critical habitat be brought to the attention of Contractor, Contractor will immediately report this evidence to Owner and a

representative of Agency. Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the U.S. Fish and Wildlife Service.

E. Mitigation Measures - The environmental mitigation measures required on this Project are as stated in the project environmental document that is available at the District office.

SC-19.11 Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708)

A. Where applicable, for contracts awarded by the Owner in excess of \$100,000 that involve the employment of mechanics or laborers, the Contractor must comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, the Contractor must compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

SC-19.12 Debarment and Suspension (Executive Orders 12549 and 12689)

A. A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared in eligible under statutory or regulatory authority other than Executive Order 12549.

SC-19.13 Procurement of Recovered Materials

A. The Contractor must comply with 2 CFR Part 200.322, "Procurement of recovered materials."

SC-19.14 American Iron and Steel Requirements

A. The Contractor must comply with the American Iron and Steel Requirements for this project as described in Section 01000 of these contract documents.

**ARTICLE 20 – CALIFORNIA STATE REQUIREMENTS**

SC-21.01 Registration with the California Department of Industrial Relations

A. This project is a “public works” project as defined in California Labor Code Section 1720 through 1743. In accordance with California Labor Code Article 1725.5, Contractor and all subcontractors are required to be registered with the California Department of Industrial Relations (DIR) in order to bid or be listed on a bid and/or work on a public works project.

SC-21.02 Antitrust Claim Settlement

A. In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the Contractor or Subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to the Contractor, without further acknowledgment by the parties.

SC-21.02 Utilities

A. Contractor shall be responsible for marking all excavations and notifying Underground Service Alert (USA) at least 48 hours before digging and follow all other provisions of California Government Code Sections 4216 through 4216.9. Contractor shall maintain an active USA ticket number for the entire duration of the excavation.

B. Unless otherwise indicated in the Contract Documents, all utility lines, conduits, wires, or structures shall be maintained by the Contractor and shall not be disturbed, disconnected, or damaged by him during the progress of the Work, provided, that should the Contractor in the performance of the Work disturb, disconnect, or damage any of the above, all expenses arising from such disturbance or in the replacement or repair thereof shall be borne by the Contractor. However, in accordance with Section 4215 of the California Government Code, the Contractor shall be compensated for all costs of locating and repairing damage to main or trunkline utility facilities located on the work site and for costs of operating equipment on the work site necessarily idled during such work where the Contractor has exercised reasonable care in removing or relocating utility facilities which are inaccurately indicated in the Contract Documents.”

Item AD4-11 Modify Specification Section 13200-2.01.B.2, last sentence to read as follows:

“Internal tank piping shall be fusion bonded epoxy coated and lined carbon steel pipe.”

Item AD4-12 Add the following to Specification Section 13200-2.01.F as the last sentence:

“Provide a computational fluid dynamic model for the mixing of the tank.”

**PLANS:**

Item AD4-13 Sheet C-03: Modify the tank pad elevations shown in Section A-A and B-B to read 178.45 feet on the vertical scale.

**CERTIFICATION FOR CONTRACTS, GRANTS AND LOANS**

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant or loan.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant or loan, the undersigned shall complete and submit Standard Form – LLL, “Disclosure of Lobbying Activities,” in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including contracts, subcontracts, and subgrants under grants and loans) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Title)

(08-21-91) PN 171

# AMERICAN IRON AND STEEL REQUIREMENTS

## USDA Rural Development

All iron and steel products used in this project must be produced in the United States in compliance with Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference.

### **Definitions**

**“Iron and steel products”** are defined as the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. “Steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements. Only items on the above list made primarily of iron or steel, permanently incorporated into the project must be produced in the United States. For example trench boxes, scaffolding or equipment, which are removed from the project site upon completion of the project, are not required to be made of U.S. Iron or Steel.

**“Primarily iron or steel”** is defined as a product made of greater than 50 percent iron or steel, measured by cost. The cost should be based on the material costs. If a product is determined to be less than 50 percent iron and steel, the AIS requirements do not apply. An exception to this definition is reinforced precast concrete products in which the reinforcing bar and wire must be produced in the United States even if their cost is less than 50 percent of the total material cost. Additionally, the casting of the concrete product must take place in the United States.

**“Construction materials”** are those articles, materials, or supplies made primarily of iron and steel, that are permanently incorporated into the project, not including mechanical and/or electrical components, equipment and systems. Mechanical and electrical components, equipment and systems are not considered construction materials. Mechanical Equipment is typically that which has motorized parts and/or is powered by a motor. Electrical equipment is typically any machine powered by electricity and includes components that are part of the electrical distribution system.

## **Compliance Steps**

- A. Prime Contractor shall collect Manufacturer's Certification Letter's to verify compliance with American Iron and Steel requirements for all products determined to be made primarily of iron and steel (refer to the attached Sample Manufacturer's Certification Letter). The manufacturer's certifications shall be submitted to the project Engineer along with the material submittals.
- B. Engineer shall maintain a listing of all iron and steel components used in the project and their manufacturers name and location and keep all certification letters.
- C. Engineer shall submit a completed Engineer's Certification Letter to USDA Rural Development before the construction and contract documents are authorized for bidding (refer to the attached Engineer Certification Letter).
- D. Prime Contractor shall submit a completed Prime Contractor's Certification Letter to the Engineer upon construction Substantial Completion to certify that all Work and Materials has complied with American Iron and Steel requirements (refer to the attached Prime Contractor's Certification Letter).
- E. The De Minimis Waiver that allows the use of a minor amount of non-domestic incidental iron and steel components applies to this project. Costs for such de minimis incidental components cumulatively may comprise no more than a total of 5 percent of the total cost of the materials used in and incorporated into a project; the cost of an individual item may not exceed 1 percent of the total cost of the materials used in and incorporated into a project. The Prime Contractor shall maintain a list of any non-domestically produced products used and their costs to demonstrate that they comply with the required percentages.
- F. Upon Substantial Completion, the Engineer shall provide copies of the following items to both the Owner and USDA Rural Development:
  - 1. Manufacturers Certification Letters
  - 2. Engineer's Listing of Iron and Steel components and their Manufacturers
  - 3. Prime Contractor's Certification Letter of Compliance with AIS
  - 4. Documentation of Compliance with the De Minimis Waiver (if applicable)

### **Attachments:**

Prime Contractor's Certification Letter

Manufacturer's Certification - Example Letter

# PRIME CONTRACTOR'S CERTIFICATION

American Iron and Steel Requirements  
USDA Rural Development

**Date:**

**RE: [Project Name]  
[Owner's Name]  
[Construction Contract Name]**

I hereby certify that to the best of my knowledge and belief, all iron and steel products installed for this project by my company and by any and all subcontractors and manufacturers my company has contracted with for this project comply with Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference, or are the subject of a waiver approved by the Secretary of Agriculture or designee.

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Name of Construction Company (PRINT)

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By Authorized Representative (SIGNATURE)

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Title

*This certification is to be submitted to the Engineer upon Substantial Completion of the project*



**EXAMPLE LETTER**  
**MANUFACTURER'S CERTIFICATION**

American Iron and Steel Requirements  
USDA Rural Development

**Date:**

**[Manufacturer's  
Name]**

**[Address]**

**Subject:       American Iron and Steel - Step Certification**  
**[Project Name]**  
**[Owner's Name]**  
**[Construction Contract Name]**

(1). I, [*company representative*], certify that the [*melting, bending, galvanizing, cutting, etc.*] processes took place at the following location:

\_\_\_\_\_   
(City, State)

(2) For [*manufacturing or fabricating*] the following products and/or material:

- 1.
- 2.

(3) That were delivered to the following project location:

\_\_\_\_\_   
(City, State)

in full compliance with the USDA Rural Development American Iron and Steel requirements as mandated by Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference.

\_\_\_\_\_  
Authorized Manufacturer's Representative Signature

(The Authorized Signature shall not be the material distributor or supplier)

*This certification is to be submitted upon request to interested parties (e.g. municipalities, consulting engineers, general contractors, etc.). If any of the above compliance statements change while providing materials to this project, please immediately notify the person(s) who is requesting to use your product(s).*