



**Department: FMS: Procurement Services**

**Authorized by: Natasha Ramras, CFO**

**Effective Date: January 1, 2018**

A handwritten signature in black ink, appearing to read "Natasha Ramras", is written over the printed name.

**Policy: Uniform Guidance Expenditure of Federal Award Funds**

### **Purpose**

The purpose of this policy is to ensure the City of Vancouver (City) complies with the procurement standards in the Uniform Guidance or the terms and conditions of the specific Federal award, which will specify whether the Uniform Guidance applies. When procuring goods and services under a Federal award, the City will follow 2 CFR §200.318 General procurement standards and other applicable CFR, or the City of Vancouver purchasing procedures, whichever is more restrictive. This policy additionally provides for the references to applicable local state and federal laws, employment policies and procedural processes as set forth in the attached cross-walk established and entitled, "Comparison of Federal Uniform Grant Guidance with City Code, Policy and Procedures" to guide City staff or to ensure compliance with 2 CFR 200.319 (Competition) and 2 CFR 200.320 (Methods of procurement to be followed).

### **References**

2 Code of Federal Regulations (CFR) 200.318 – General procurement standards

2 CFR 200.319– Competition

2 CFR 200.320 – Methods of procurement to be followed

RCW 35.22.280 – Specific powers enumerated (first class cities)

City Charter Section 11.07 – Personal interest

VMC 3.05.020 – Responsibility for procurement

VMC Chapter 3.05 –Purchasing and Public Works

City Employment Policy Section 503 – Conflicts of Interest

### **Definition**

**NONE**

## Policy

### 1. **Per 2 Code of Federal Regulations (CFR) 200.318 – General procurement standards:**

No employee, officer, or agent of the City may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the City must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the financial interest is not substantial or the gift is an unsolicited item of nominal value.

Any willful violation of this policy constitute malfeasance in office, and any officer, agent or employee of the City found guilty thereof shall thereby forfeit the office or position. Any violation of this policy with the knowledge express or implied of the person or corporation contracting with the City shall render the contract voidable by the City Manager or the City Council.

If the City has a parent, affiliate, or subsidiary organization that is not a state government, local government, or Indian tribe, the City must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the City is unable or appears to be unable to be impartial in conducting a procurement action involving the related organization. Per paragraph 200.112 of the Super Circular, the City must disclose in writing any potential conflict of interest to the federal awarding agency or pass-through entity in accordance with applicable federal awarding policy.

- ### 2. **Per City Charter Section 11.07 Personal interest:**
- No member of the city council or any officer or employee of the city shall derive a personal profit, direct or indirect, from any contract or in the sale to the city or to a contractor supplying the city or any land or rights or interests in any land, material, supplies, or services. Provided, that the provisions of this section shall not apply to any contract or any work, or the purchase of any material, goods, or supplies when the expenditure thereof in any calendar month does not exceed the amount set by state law. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the city found guilty thereof shall thereby forfeit the office or position. Any violation of this section with the knowledge express or implied of the person or corporation contracting with the City shall render the contract voidable by the City Manager or the City Council.
- ### 3. **Per VMC 3.05.020 Responsibility for procurement:**
- The Director of Financial and Management Services shall be responsible for all City government purchasing and public works construction contract procurement. The Director may appoint a designate or designates who shall, subject to the exceptions stated in this chapter, make all purchases of materials,

supplies and equipment, and contractual services for all departments, offices, boards and other agencies of the City government.

The Director is authorized to promulgate written rules and regulations as necessary for the administration of this chapter. Such rules and regulations also shall provide for a system of procurement for purchases and contracts of an amount below the competitive bid limits. Such system shall include, but not be limited to, formal and informal quotes, requests for proposal, local purchase orders, purchases from published price lists, petty cash and other appropriate provisions of a similar nature.

For purposes of this chapter, the terms "Director" and "Director of Financial and Management Services" shall be interchangeable. All references to the plural of "designate" herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

4. **Per City Employment Policy Section 503 Conflicts of Interest:** Employees are expected to represent the City in a positive and ethical manner. Employees have an obligation to avoid conflicts of interest or any activity which would give the appearance of a conflict of interest.
5. **Cross-Walk:** Procurement Services Division's applicable staff shall utilize the cross-walk established entitled, "Comparison of Federal Uniform Grant Guidance with City Code, Policy and Procedures" to guide City staff or to ensure compliance with 2 CFR 200.319 (Competition) and 2 CFR 200.320 (Methods of procurement to be followed).

**§ 200.318 General procurement standards.**

(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

(2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.(d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

(f) The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(g) The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(j)(1) The non-Federal entity may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost to a non-Federal entity is the sum of:

(i) The actual cost of materials; and

(ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

(2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.



(k) The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

**§ 200.319 Competition.**

(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- (1) Placing unreasonable requirements on firms in order for them to qualify to do business;
- (2) Requiring unnecessary experience and excessive bonding;
- (3) Noncompetitive pricing practices between firms or between affiliated companies;
- (4) Noncompetitive contracts to consultants that are on retainer contracts;
- (5) Organizational conflicts of interest;
- (6) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- (7) Any arbitrary action in the procurement process.

(b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(c) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

- (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient

requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(d) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.

#### **§ 200.320 Methods of procurement to be followed.**

The non-Federal entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

(i) The invitation for bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids;

(ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be publicly opened at the time and place prescribed in the invitation for bids;

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason.

(d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;

(2) Proposals must be solicited from an adequate number of qualified sources;

(3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;

(4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(e) [Reserved]

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

(1) The item is available only from a single source;

(2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or

(4) After solicitation of a number of sources, competition is determined inadequate.

**Comparison of Federal Uniform Grant Guidance with City Code, Policy and Procedures**

Uniform Grant Guidance Procurement Methods	Definitions (no preference / no pre-qualified)	VMC/Policy/Procedures/	Conclusion
1. Micro Purchases - \$3,500 or less – no competitive bidding	A purchase of supplies or services using simplified acquisition procedures, the <u>aggregate</u> amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 C.F.R. Subpart 2.1 (Definitions). It is \$3,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.	Goods, Materials and Equipment - \$5,000 or less - No competitive requirements.  Professional Services Agreements- \$35,000 or less No competitive requirements.  Public Works/Small Works ( <i>Required Prevailing Wages</i> ) - \$35,000 or less - 3 electronic or written quotes from SW Roster required	Follow COV for Public Works and Small Works purchases as COV is more restrictive.  Follow Federal for Professional Services and Commodity purchases as UGG is more restrictive.
2. Small Purchases - \$150,000 or less (Simplified Acquisition Threshold, SAT)—will require more than one price quote. Can be an internet quote.	Relatively simple and informal competition is required from adequate number of qualified sources.	Goods, Materials and Equipment - \$5,000 or less - No competitive requirements > \$5,000 to = < \$35,000 -3 documented quotes required > \$35,000 to = < \$300,000 - Sealed quotation or RFP  Professional Services Agreements \$35,000 or less - No competitive requirements > \$35,000 to = < \$100,000 - Informal RFP > \$100,000 to = < \$300,000 - Sealed RFP  Public Works/Small Works Roster ( <i>Required Prevailing Wages</i> ) \$35,000 or less - Three electronic or written quotes using Roster > \$35,000 to = < \$300,000 - Sealed quotes only from Roster	Good, Materials and Equipment > \$3,500 to = < \$5,000— Follow Federal > \$5,000 to = < \$150,000 – Follow City  Professional services > \$3,500 to = < \$35,000 – Follow Federal > \$35,000 to = < \$150,000 – Follow City  Public works/ Small Works Roster ( <i>Required Prevailing Wages</i> ) \$150,000 or less— Follow City
3. Sealed bids - Above \$150,000. Preferred method for construction projects (must advertise / price is a principal factor)	Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsive and responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.	The City requires goods and materials and public works/small works greater than \$35,000 to use sealed quotes and sealed bids, but does not require advertisement. (Professional services follow in the area below)	Must follow City Policy, but require advertisement.
4. Sealed competitive proposals - Above \$150,000. Evaluation based on identified scoring criteria and value (formal advertising).	The technique of competitive sealed proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. A new requirement under this method is that the non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.	The City of Vancouver uses a sealed RFP process for professional services for projects above \$100,000, but does not require advertisement.  A&E Services for all values require a Request for Qualifications process.	PSA must follow City Policy, but require advertisement.  A&E must follow City Policy, but require advertisement.
5. Sole Source and Emergency Procurements - Must be expressly authorized by – federal awarding or pass-through agency	The grants reform clarified this may be used only when one or more of the following circumstances apply: <ul style="list-style-type: none"> <li>• The item is available only from a single source;</li> <li>• The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;</li> <li>• The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or</li> <li>• After solicitation of a number of sources, competition is determined inadequate.</li> </ul>	URL to the sole source and emergency procurements (policies and procedures) ... <a href="http://cvsharepoint/departments/financial/procurement/ProcurementPolicies/Forms/AllItems.aspx">http://cvsharepoint/departments/financial/procurement/ProcurementPolicies/Forms/AllItems.aspx</a>  1– There is clearly and legitimately only one source capable of supplying the subject matter in a timely fashion , or; 2- There are special facilities or market conditions that result in only one source.  Documentation is required only when cost for supplies, materials and equipment exceeds \$5,000; cost for professional services exceeds \$35,000; and for all amounts when it is small or public works.	Follow Federal – micro-purchases, where no competition is required for purchases costing \$3,500 or less.  > \$3,500 - Follow Federal for sole source or emergency purchases. We need a written authorization from the awarding or pass-through agency before we proceed with the purchase.



Comparison of Federal Uniform Grant Guidance with City Code, Policy and Procedures

Required Conflict of Interest Policies

Section 200.318 describes mandatory conflict of interest language each non-Federal entity must have. This conflict of interest guidance was expanded from the existing language in A-102 to include a provision for organizational conflict of interest. This expansion will require non-Federal entities to have strong policies preventing organizational conflicts of interest, which will be used to protect the integrity of procurements under federal awards and sub-awards. In general, two types of conflict of interest policies must be maintained by the non-Federal entity:

1. Employee Conflict of Interest – The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts. The grants reform includes the following provisions:  
"No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity."  
2. Organizational Conflict of Interest – *This is a new requirement!* If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state government, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving the related organization. Please note that paragraph 200.112 of the Super Circular also speaks to conflicts of interest, but do not get the two requirements confused. Paragraph 200.112 indicates that a non-Federal entity must disclose in writing any potential conflict of interest to the federal awarding agency or pass-through entity in accordance with applicable federal awarding policy.

**City Charter Section 11.07 Personal Interest:** No member of the city council or any officer or employee of the city shall derive a personal profit, direct or indirect, from any contract or in the sale to the city or to a contractor supplying the city or any land or rights or interests in any land, material, supplies, or services. Provided, that the provisions of this section shall not apply to any contract or any work, or the purchase of any material, goods, or supplies when the expenditure thereof in any calendar month does not exceed the amount set by state law. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the city found guilty thereof shall thereby forfeit the office or position. Any violation of this section with the knowledge express or implied of the person or corporation contracting with the city shall render the contract voidable by the city manager or the city council. (As amended by vote of the people on November 6, 1984.)

**City Employment Policy Section 503. Conflicts of Interest:** Employees are expected to represent the City in a positive and ethical manner. Employees have an obligation to avoid conflicts of interest or any activity which would give the appearance of a conflict of interest.

Procurement Documentation

The Uniform Grant Guidance doesn't substantially change the documentation requirements under Circular A-102. However, those previously subject to A-110 will want to closely look at these requirements. An organization must maintain records to sufficiently detail the history of procurement. At a minimum, this includes:

- The rationale for the method of procurement,
- Selection of the contract type,
- Contractor selection or rejection, and
- Basis for the contract price.

Other Procurement Items to Note

- Section 200.319 contains language that prevents contractors who develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals from competing for such procurements.
- Written procedures for procurement transactions are still required. (Section 200.319c)
- The non-Federal entity must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of the contract or purchase order. This wording has changed a bit from A-102, which required a contract administration system. How the non-Federal entity maintains oversight is a matter of judgment for the non-Federal entity.
- Appendix II provides for multiple provisions that must be included in contracts of non-Federal entities.

So What Do You Need to Do Now

- All non-Federal entities will need to update their internal procurement policies to reflect the changes described in the uniform guidance. It is important that a recipient's procurement policies identify the five allowable methods outlined in Section 200.320.
- Ensure your organization's current employee conflict of interest policies include the required language.
- Ensure the mandatory organizational conflict of interest policy is written, if applicable.
- Review Appendix II to ensure your organization's contracts include the required specifications.

The federal government has provided for a grace period for non-Federal entities to comply with the procurement standards in the Uniform Guidance. The grace period allows an extension for implementation of the new procurement rules for one additional full fiscal year after the effective date of the Uniform Guidance. In general non-Federal entities must comply with the terms and conditions of their Federal award, which will specify whether the Uniform Guidance applies. However, in light of the new procurement standards, for procurement policies and procedures, for the non-Federal entity's first full fiscal year that begins on or after December 26, 2014, the non-Federal entity must document whether it is in compliance with the old or new standard, and must meet the documented standard. For example, the first full fiscal year for a non-Federal entity with a June 30th year end would be the year ending June 30, 2016. The Single Audit Compliance Supplement will instruct auditors to review procurement policies and procedures based on the documented standard. For future fiscal years, all non-Federal entities will be required to comply fully with the uniform guidance.