

Purchasing Under a FEMA Award: 2024 OMB Revisions

When purchasing under a FEMA award, recipients and subrecipients must follow the federal procurement standards outlined in 2 C.F.R. §§ 200.317 – 200.327. This fact sheet provides guidance on recent revisions by the Office of Management and Budget (OMB) to these standards, which will affect FEMA awards with a federal award date or disaster declaration date on or after Oct. 1, 2024.

Background

On April 22, 2024, OMB revised sections of *OMB Guidance for Grants and Agreements* found in *Title 2 of the Code of Federal Regulations*. These revisions apply to all FEMA awards with a federal award date or disaster declaration date on or after Oct. 1, 2024, unless specified otherwise. The changes include updates to the federal procurement standards, which govern how FEMA award recipients and subrecipients must conduct purchasing under a FEMA award. This fact sheet does not provide an exhaustive list of the revisions. For more detailed information on the OMB revisions, please refer to [Federal Register Notice 2024-30046, “Guidance for Federal Financial Assistance.”](#)

Summary of Applicable Procurement Standards

Below is a summary of how the federal procurement rules apply to FEMA award recipients and subrecipients with a federal award date or disaster declaration date on or after Oct. 1, 2024, categorized by entity type:

- **States, territories, and Indian Tribes:** These entities must follow their own documented procurement policies and procedures pursuant to 2 C.F.R. § 200.317. They are also required to comply with domestic preference requirements (2 C.F.R. § 200.322) and federal contract provisions (2 C.F.R. § 200.327). Additionally, they are encouraged to implement the six socioeconomic affirmative steps outlined 2 C.F.R. 200.321, whenever possible. States and territories, but not Indian Tribes, are also subject to the procurement of recovered materials (2 C.F.R. 200.323).
- **Local governments and nonprofits:** These entities must have documented procurement policies and procedures that reflect applicable state, local or tribal laws and ensure compliance with the federal procurement standards set forth in 2 C.F.R. §§ 200.318- 200.327.

In cases of noncompliance with the federal procurement standards, FEMA may apply appropriate remedies in accordance with the *Remedies for Noncompliance* outlined in 2 C.F.R. § 200.339.



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Key Revisions to the Federal Procurement Standards

Procurements by States and Indian Tribes (2 C.F.R. § 200.317)

Consistent with the existing requirements for states in 2 C.F.R. § 200.317, Indian Tribes must follow the same policies and procedures used for procurements with non-federal funds. In addition to adhering to their own policies and procedures, Indian Tribes must also comply with rules for Domestic Preferences (§ 200.322) and Required Contract Provisions (§ 200.327). They should also consider rules for Socioeconomic Contracting (§ 200.321), when possible. **Note:** While an additional rule for Procurement of Recovered Materials (2 C.F.R. § 200.323) is also referenced in 2 C.F.R. § 200.317, this requirement only applies to state agencies and political subdivisions of a state and not to Indian Tribes.

The new OMB guidance also requires that states and Indian Tribes follow the federal procurement standards at 2 C.F.R. §§ 200.318 – 200.327 if they do not have their own procurement policies or procedures.

Removed Prohibition on Geographic Preferences (2 C.F.R. § 200.319(c))

OMB has removed the prohibition on geographic preferences when evaluating bids or proposals previously found in 2 C.F.R. § 200.319(c). Any geographic preferences used when evaluating bids or proposals under a FEMA award must be consistent with governing laws outside of 2 C.F.R. Part 200.

Encouraging Socioeconomic Affirmative Steps (2 C.F.R. § 200.321)

OMB updated 2 C.F.R. § 200.321 to encourage taking the six socioeconomic affirmative steps to maximize participation by small businesses, minority-owned businesses, women-owned enterprises, veteran-owned businesses, and labor surplus area firms. Previously, compliance with the six affirmative steps of socioeconomic contracting was required. The revised language now states that, when possible, recipients and subrecipients should take the affirmative steps to consider these business types.

Veteran-Owned Businesses as Target Firms (2 C.F.R. § 200.321)

In 2 C.F.R. § 200.321, OMB added “veteran-owned business” to the list of business types that recipients and subrecipients should consider, when possible, when purchasing under a federal award.

Encouraged Use of Recovered Materials (2 C.F.R. § 200.323)

OMB added a new paragraph (b) in § 200.323 pursuant to Executive Order 14057 (“Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability”). This new guidance encourages recipients and subrecipients, to the greatest extent practicable and consistent with law, to purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable. This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products. **Note:** Indian Tribes and nonprofits are not subject to this requirement.



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Additional Resources

Additional information, including trainings and checklists on the federal procurement standards, can be found on the following webpage: [Contracting with Federal Funds for Goods and Services Before, During and After Disasters | FEMA.gov](#).



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