

Purchasing Under a FEMA Award: States

When purchasing under a Federal Emergency Management Agency (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 information on the Federal Procurement Standards applicable to states, the District of Columbia, U.S. territories, and their agencies and instrumentalities when purchasing under FEMA awards and disaster declarations issued on or after Oct. 1, 2024.

States

The Federal Procurement Standards define a state as: any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any agency or instrumentality thereof exclusive of local governments (see [2 C.F.R. 200.1 “State”](#)).

NOTE: If purchasing under FEMA awards or disaster declarations issued between Nov. 11, 2020 and Sept. 30, 2024, please see [Code of Federal Regulations, Title 2, Grants and Agreements- January 2020](#) and the [FY21 Procurement Disaster Assistance Team \(PDAT\) Field Manual](#) for information on applicable Federal Procurement Standards. For more information on the Oct. 1, 2024, Office of Management and Budget (OMB) revisions to the Federal Procurement Standards, please refer to [“Guidance for Federal Financial Assistance”](#) and the [2024 OMB Revisions Fact Sheet](#).

Applicable Federal Procurement Standards

All recipients and subrecipients must comply with the Federal Procurement Standards found in 2 C.F.R. §§ 200.317 – 200.327 for FEMA awards and disasters declared on or after Oct. 1, 2024. Usually, states are the direct recipient of the FEMA grant funding, serving as a pass-through entity that makes subawards to other eligible subrecipients. Failure to follow these rules puts recipients and subrecipients at risk of not receiving their full reimbursement for work done under the FEMA award or having obligated funds taken back by FEMA.

NOTE: FEMA may apply remedies if a state does not comply with the Federal Procurement Standards, as appropriate, in accordance with its authorities found at [2 C.F.R. § 200.339](#). Additionally, all recipients and subrecipients must ensure compliance with the Cost Principles at [2 C.F.R. Part 200 Subpart E](#), including the requirement to ensure that costs are reasonable, as defined in [2 C.F.R. § 200.404](#).



FEMA

Procurement by States (2 C.F.R. § 200.317)

When conducting procurement transactions under a federal award, states must follow their own policies and procedures used for non-federal purchases, as outlined in [2 C.F.R. § 200.317](#). If a state does not have its own documented policies and procedures, it must follow the Federal Procurement Standards at [2 C.F.R. §§ 200.318 – 200.327](#). These standards include provisions for competition, methods of procurement, conflicts of interest, cost or price analyses, bonding requirements, and other rules. For comprehensive information on each rule and for the State and Indian Tribe Checklist, please see the [Procurement Under Grants Policy Guide \(PUGPG\)](#).

Domestic Preferences (2 C.F.R. § 200.322)

States should, to the greatest extent practicable under its FEMA award, provide a preference for the purchase of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award. This standard also provides specific definitions for “Produced in the United States” and “manufactured products” that states should review.

Build America, Buy America Act (2 C.F.R. Part 184)

Under the Build America, Buy America Act (BABAA), federal financial assistance for “infrastructure” projects can only be provided if all iron, steel, manufactured products, and construction materials used in the project are produced in the United States. The Code of Federal Regulations (C.F.R.) at [2 C.F.R. Part 184](#) provides guidance to federal agencies on implementing these domestic preference requirements.

FEMA’s [Buy America Preference in FEMA Financial Assistance Programs for Infrastructure Policy](#) offers detailed guidance on FEMA’s implementation of BABAA requirements for recipients and subrecipients of applicable FEMA grant programs. Additional information, including trainings and resources on BABAA, can be found on [FEMA’s Buy America Preference webpage](#).

NOTE: Not all FEMA grant programs are subject to BABAA. For instance, many of FEMA’s disaster programs are not subject to the requirements, including but not limited to, the Public Assistance Program, Hazard Mitigation Grant Program, and Fire Mitigation Assistance Grant Program. For a full list of FEMA programs not subject to BABAA, please visit [Programs and Definitions](#).

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

A recipient or subrecipient that is a state agency or agency of a political subdivision of a state and its contractors must comply with [Section 6002 of the Solid Waste Disposal Act](#). A political subdivision is the unit of government that the state determines to have met the state’s legislative definition of a political subdivision. See [Environmental Protection Agency’s Comprehensive Guide Program](#).

Contract Provisions (2 C.F.R. § 200.327)

State purchase orders and other contracts must include applicable contract clauses as described in [Appendix II of 2 C.F.R. Part 200](#). Some clauses are required depending on the dollar amount of the purchase, while others may be

required depending on the goods or services being procured. States can find a list of required clauses and sample language for some clauses in the [Contract Provisions Guide](#).

Additional Rules for State Procurements

In addition to the Federal Procurement Standards found at 2 C.F.R. § 200.317, there are other important sections of [2 C.F.R. Part 200](#) that apply to states when considering purchasing under a FEMA award. These include:

- States may not award contracts to contractors that are suspended or debarred as listed on SAM.gov (see [2 C.F.R. § 200.213](#));
- States must ensure all contract costs are necessary, allocable, reasonable, adequately documented, and otherwise allowable (see [2 C.F.R. § 200.403](#));
- FEMA requires all recipients and subrecipients, including states, to maintain written conflict of interest rules, including organizational conflicts of interest rules, governing the actions of their procurement professionals and disclose any potential conflict of interest to FEMA in writing (see [Chapter 2 of the Procurement Under Grants Policy Guide \(PUGPG\)](#)); and
- States are prohibited from contracting for covered telecommunications equipment or services (see [2 C.F.R. § 200.216](#) and [Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services Policy](#)).

Further Assistance

Additional assistance regarding purchasing under a FEMA award can be accessed by visiting the [Procurement Disaster Assistance Team \(PDAT\) website](#) or by contacting one of the points of contact listed below:

- **State Emergency Management Agency (Disaster Grants):** www.fema.gov/emergency-management-agencies
- **State Administrative Agency (Non-Disaster Grants):** www.fema.gov/grants/preparedness/about/state-administrative-agency-contacts
- **Contact PDAT:** FEMA-GPD-PDAT@fema.dhs.gov; make sure to copy your FEMA grant program point of contact when emailing PDAT.