

**Subpart C—Contract Provisions for Recipient Procurements (PROC Article III)**

**§ 1132.300 Purpose of PROC Article III.**

PROC Article III of the general terms and conditions specifies provisions that recipients must include in contracts under their awards, as applicable. It thereby:

- (a) Implements, in conjunction with PROC Articles I and II, OMB guidance concerning recipients' contract provisions under grants and cooperative agreements in 2 CFR 200.317 and 200.326;
- (b) Partially implements the OMB guidance in 2 CFR 200.205(d) and 200.213 concerning suspension and debarment requirements; and
- (c) Partially implements the OMB guidance in 2 CFR 200.517 concerning retention and access of auditors' records.

**§ 1132.305 Administrative requirements.**

(a) *Requirement.* A DoD Component's general terms and conditions must require recipients to include in their contracts standard administrative requirements related to remedies, termination, allowable costs, rights in copyrights and data, records access and retention, and reporting.

(b) *Award terms and conditions.* To implement the requirement described in paragraph (a) of this section, a DoD Component's general terms and conditions must use the wording that appendix C to this part provides for Section A of PROC Article III.

**§ 1132.310 National policy requirements.**

(a) *Requirement.* A DoD Component's general terms and conditions must require recipients to include provisions in their contracts that require the contractors to comply with applicable national policy requirements.

(b) *Award terms and conditions—(1) General.* To implement the requirement in paragraph (a) of this section, a DoD Component's general terms and conditions must use the wording that appendix C to this part provides for Section B of PROC Article III.

(2) *Exceptions.* (i) The Wage Rate Requirements (Construction) statute (40

U.S.C. 3141–44, 3146, and 3147) does not apply to a program carried out through grants or cooperative agreements unless another statute makes it apply to that program. A DoD Component's general terms and conditions therefore may not include the provision that appendix C to this part includes as paragraph B.2 of PROC Article III unless another statute makes the Wage Rate Requirements statute apply to the program using those general terms and conditions.

(ii) If a DoD Component determines that any of the other national policy requirements in Section B will not apply to any of the awards subject to its general terms and conditions, the DoD Component may reserve the paragraphs of Section B addressing those requirements. Should a future need arise to include the requirements in a given award, the DoD Component may include them as award-specific terms and conditions.

**APPENDIX A TO PART 1132—TERMS AND CONDITIONS FOR PROC ARTICLE I, “PROCUREMENT STANDARDS FOR STATES”**

Unless a DoD Component reserves the article, as specified in §1132.105, a DoD Component's general terms and conditions must use the following wording for PROC Article I.

**PROC ARTICLE I. PROCUREMENT STANDARDS FOR STATES. (DECEMBER 2014)**

*Section A. Use of State procurement system.* Subject only to the conditions in Sections B through D of this article, you must use the same policies and procedures to procure supplies, equipment, real property, and services under this award that you use when you procure those items for State purposes using non-Federal funds.

*Section B. Procurement of recovered materials.* You must comply with the Resource Conservation and Recovery Act requirements described in OMB guidance in 2 CFR 200.322.

*Section C. Debarment and suspension.* You must comply with restrictions on awarding procurement transactions to excluded or disqualified parties and other requirements specified by OMB guidelines on nonprocurement debarment and suspension at 2 CFR part 180, as implemented by DoD at 2 CFR part 1125.