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University of California
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Research Administration Office

Memo

Operating Guidance

No. 89-13
Supplement No. 2
May 4, 1990

VICE CHANCELLORS — BUSINESS AND FINANCE ADMINISTRATION*
CONTRACTS AND GRANTS OFFICERS
OFFICE OF THE PRESIDENT FUNCTIONAL MANAGERS

**Subject: Acknowledgment of Federal Support in Solicitations for the
Acquisition of Goods and Services (\$500,000 or more) in
Contracts under Federal Grants**

Federal Requirement

Section 623 of Pub. L. 101-136 (November 3, 1989) contains the following language:

- (a) No amount of any grant made by a Federal agency shall be used to finance the acquisition of goods or services (including construction services) unless the recipient of the grant agrees, as a condition for the receipt of such grant, to--
 - (1) announce in any solicitation for offers to procure such goods or services (including construction services) the amount of Federal funds that will be used to finance the acquisition for which such offers are being solicited; and
 - (2) express the amount announced pursuant to paragraph (1) as a percentage of the total costs of the planned acquisition.
- (b) The requirements of subsection (a) shall not apply to a procurement for goods or services (including construction services) that has an aggregate value of less than \$500,000.

Pub. L. 101-136 has government-wide effect, in theory, although so far NSF and NASA are the only agencies we know of that have issued instructions to their grants offices. NSF, for example, is putting the following paragraph in grant letters for projects that might possibly have a subcontract over \$500,000:

Any solicitation using Federal grant funds to procure goods and services (including construction) costing \$500,000 or more must announce the amount and percentage of total costs to be financed with Federal funds.

Please note this requirement, known as the "Warner Amendment," is different from the so-called "Stevens Amendment" that is the subject of Contract and Grant Memos 89-13 (4/19/89) and 89-13, Supplement No. 1 (1/4/90). Although both amendments have to do with acknowledgment of federal support, the Stevens Amendment concerns public information activities; the Warner Amendment concerns contracting under grants.

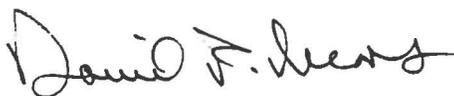
Implementation Guidance

The number of subagreements likely to be affected by this requirement is not large enough to warrant systems changes throughout the University. If a condition similar to the NSF paragraph quoted above is included in a grant that contemplates awarding a subagreement of \$500,000 or more, make sure the office that would write the subagreement is informed of the need to announce both the amount and the percentage of federal support in any solicitation for that subagreement.

Copies of this Memo are being sent to representatives in the Office of the President offices of Materiel Management and Facilities Management, who will in turn notify their counterpart offices at campuses and Laboratories of this federal requirement.

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Subject Index: 16
Organization Index: F-005, U-115



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