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DEPARTMENT OF AGRICULTURE

Rural Utilities Service

7 CFR Part 1780

Procurement Methods; Correction

AGENCY: Rural Utilities Service, Agriculture.

ACTION: Correcting amendment.

SUMMARY: The Rural Utilities Service (RUS), an agency of the United States Department of Agriculture (USDA), is correcting its portion of USDA's uniform federal assistance final rule, that was published in the Federal Register on February 16, 2016 (81 FR 7695) by revising the procurement methods section.

DATES: *Effective Date:* [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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SUPPLEMENTARY INFORMATION: On December 26, 2013, OMB published *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* final guidance (78 FR 78589) giving all federal award making agencies one year to implement conforming changes to all regulations as needed to address changes in requirements associated with this new Uniform Guidance. On December 19, 2014, OMB published a joint interim final rule and conforming changes in the Federal Register (79 FR 75871), making the conforming changes for award making agencies across the Federal government. Included in this joint interim final rule were conforming changes to regulations regarding procurement methods under Federal awards for the Rural Utilities Service Water and Waste Disposal program to ensure consistency with the Uniform Guidance.

Need for Correction:

The United States Department of Agriculture finalized its portion of the conforming changes in the Federal Register on Tuesday, February 16, 2016 (81 FR 7695), that inadvertently stated instructions in §1780.72, as published, which contains errors that may prove to be misleading and need to be clarified.

List of Subjects in 7 CFR Part 1780

Business and industry, Community development, Community facilities, Grant programs – housing and community development, Reporting and recordkeeping requirements, Rural areas, Waste treatment and disposal, Water supply, Watersheds.

Accordingly, 7 CFR part 1780 is corrected by making the following correcting amendment:

PART 1780 – WATER AND WASTE LOANS AND GRANTS

1. The authority citation for part 1780 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1989; 16 U.S.C. 1005.

Subpart C—Planning, Designing, Bidding, Contracting, Constructing and Inspections

2. Revise § 1780.72 to read as follows:

§ 1780.72 Procurement methods.

Procurement shall be made by one of the following methods and in accordance with requirements of 2 CFR 200.320: micro-purchases, procurement by small purchase procedures, procurement by sealed bids (formal advertising), procurement by competitive proposals, or procurement by noncompetitive proposals. The sealed bid method is the preferred method for procuring construction.

Dated: **July 13, 2016.**

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Administrator, Rural Utilities Service

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