

**ALERT**

# NASA Requires Reviews of Grant Applicants' Integrity and Past Performance

June 8, 2016

**WHAT:** The National Aeronautics and Space Administration (NASA) issued a final rule requiring agency officials to consider applicants' integrity and performance record prior to awarding a grant or cooperative agreement. The new rule requires the agency to review records in the System of Award Management (SAM) or Federal Awardee Performance and Integrity Information System (FAPIIS) to determine whether the prospective award recipient demonstrates a "satisfactory record" of integrity and business ethics, and execution of grants, cooperative agreements or procurement awards.

**WHEN:** The final rule was published on June 3, 2016.

**WHAT DOES IT MEAN FOR INDUSTRY:** Under the new rule, agency officials will be required to report in FAPIIS an applicant's material failure to comply with award terms, administrative agreements, and, in some cases, a finding that the applicant is not qualified to receive an award because of an integrity or performance issue. In addition, the rule requires recipients that have more than \$10 million in Federal contracts, grants, and cooperative agreements to disclose in FAPIIS information about certain civil, criminal, and administrative proceedings connected with the award or performance of a federal award. Grant or cooperative agreement applicants who have been the subject of any such reports must be prepared to show that they nevertheless have a "satisfactory record" of integrity, business ethics, and performance, or, that any perceived risk created by such performance issues can be mitigated.

**EFFECTIVE DATE:** July 5, 2016.

## Practice Areas

Government Contracts