

EPA R10 Introductory Resources for Procurement

Please visit these documents/sites for additional guidance, policy and regulations:

1. [EPA Policies and Guidance for Grants](#)
2. [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#)
3. [Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial](#)
4. [Subaward Policy Frequent Questions](#)
5. [Community Grant Final Implementation Guidance](#)

Please use the information below to ensure that the correct funding allocation methods are being employed when developing the budget.

I Procurement

Contractual - [Financial Management - 200.302](#), [Factors affecting Allowability of Cost - 200.403](#), [Competition - 200.319](#)

Q Will funds be allocated using a procurement contracts to acquire property (including intellectual property such software licenses) and services needed to carry out the EPA funded project or program, typically to a for-profit entity?

A These transactions are contractual.

Competition and Competition Thresholds - [Methods of Procurement to be Followed - 200.320](#)

Micro-purchase

Q Will funds be allocated to the purchase of goods and services less than \$10,000?

A That is a micro-purchase and competition is not required, provided purchases are equitably distributed among suppliers to the extent practicable, DBE requirements are met, and the price is reasonable.

Simplified Acquisition Threshold (SAT) (currently \$250,000)

Q Will funds allocated to the purchase of goods and services be less than \$250,000?

A The SAT is currently \$250,000 and expenditures under that threshold can follow small purchase procedures. Recipients can solicit offers from at least 3 qualified sources, taking Disadvantaged Business Enterprise requirements ([Participation in Disadvantaged Business Enterprise \(DBE\) - 40 CFR 33](#)) into consideration, without formally advertising or otherwise publicizing the contracting opportunity. Recipients must obtain documented prices or quotes. Recipients must justify purchases at the higher price and ensure the vendor charges similar customers the same price as it is offering to the recipient.

Procurement over \$250,000

Q Will funds allocated to the purchase of goods and services be greater than \$250,000?

A Procurement greater than the SAT requires formal procurement methods.

-Documentation (not verbal documentation, written documentation) of procurement decisions to ensure that the transactions have met Federal requirements/minimum standards of the Uniform Grant Guidance (UGG). Recipients must have written procedures for determining that costs are necessary, reasonable and allocable. Recipients may have their own procurement systems which can be amended to meet federal requirements.

-Minimum record-keeping requirements include the rationale for the method of procurement, selection of contract type, selection vs rejection, basis for the contract price, solicitation of bids, final contract including any clauses required by 2 CFR 200.327 and Appendix II of the UGG; amendments to the contract; and, good faith efforts to use Disadvantaged Business Enterprises (DBE). - [General Procurement Standards - 200.318](#), [Contract Provisions - 200.327](#) , [Participation by Disadvantaged Business Enterprises in EPA Programs \(DBE\) - 40 CFR Part 33](#)

-The recipient must oversee contracts to ensure contractors perform in accordance with the terms and conditions. The recipient must have internal controls including documenting that contracts were successfully performed (i.e., invoices showing goods and services delivered and accepted) and charges to the agreement for contractual services are accurate.

-Procurement must meet DBE Requirements \$250,000 threshold - [Participation by Disadvantaged Business Enterprises in EPA Programs \(DBE\) - 40 CFR Part 33](#)

-Long-term contracts guidance: Recipients may enter into competitively awarded long-term, generally less than 5 years, contracts. If the long-term contract precedes the EPA assistance agreement, recipients may use that contract if it was procured competitively consistent with Federal regulations, including DBE considerations. Out of scope modifications to contracts in amounts that exceed the Simplified Acquisition Threshold (SAT) are subject to EPA approval.

Sole Source Acquisition [Remedies for Noncompliance - 200.339](#)

Q Will funds, greater than \$10,000, be allocated to one source?

A That is sole-source acquisition and is non-competitive. Sole-source contracts without competition, in excess of the micro-purchase threshold, are rare and must be fully justified. Potential justifications are: Only one source has the goods or is able to perform the service; an emergency requires sole source acquisition; EPA approval; or after soliciting a number of sources the recipient reasonably decided competition was inadequate. All sole source acquisition must be completed per federal regulations. Recipients who procure sole source contracts without EPA approval do so at their own risk. If, at any time, EPA finds that a sole-source contract does not comply with EPA's interpretation of the UGG, EPA may disallow all or part of the cost of the contract.

Consultant [Consultant Cap/General Procurement Standards - 2 CFR 1500.10](#)

Q Will funds through a contract be allocated to a skilled, expert individual?

A EPA defines consultant as an individual providing expert service, managed directly by the grantee, not managed by a contractor. Costs for consultants must not exceed the consultant cap (Level IV of the Executive Schedule). Contracts with multi-employee firms are not affected by the consultant

compensation limitation provided the contractor rather than the recipient selects, directs and controls individual employees. Competitive procurement requirements apply. The consultant cap applies to all recipients and may not be waived by EPA. To calculate the maximum daily rate, visit: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/> Select "Salary and Wages", then "Executive Schedule." Divide the annual salary by 2087 hours to get the maximum hourly rate, then multiply it by 8 to determine the maximum daily rate.

Equipment - [Equipment - 200.313](#)

Q Will funds be used to procure an item that costs \$5,000 per unit or more?

A An item with current per unit fair market value of \$5,000 is equipment. If the item includes accessories and services (not maintenance) necessary for the equipment to be operational and the total exceeds \$5,000, that is equipment. [Equipment and Other Capital Expenditures - 200.439](#)

Supplies - [Supplies - 200.314](#)

Q Will funds be used to procure an item that costs less than \$5,000 per unit?

A An item that has a current per unit fair market value of less than \$5,000 is a supply. Services are not "tangible items" and are not supplies. [Materials and Supplies Costs, including Costs of Computing Devices - 200.453](#)

"Other"/Services

Q Will funds be allocated to budget items that are not supplies or equipment or contractual?

A Examples of services: 1. Insurance and indemnification 2 CFR 200.447, 2. Telephone service and utilities, 3. Occasional document reproduction at local copying centers, 4. Capitalization funding for revolving loan programs, 5. Third party in-kind contributions towards cost share 2 CFR 200.306, 6. Tuition remission and scholarships under agreements with educational institutions under 2 CFR 200.466, 7. Rental/lease of equipment, office space, and meeting or conference facilities, 8. Participant support costs, 9. Subawards, 10. Land acquisition costs when authorized under the financial assistance program.

Sub-awards [Requirements for Pass-through Entities - 200.332](#), [Subrecipient and Contractor Determinations. - 200.331](#)

Q Will funds to a direct recipient be passed-through to a sub-recipient?

A Transactions between recipients and for profit firms or individual consultants are in almost all cases procurement contracts subject to the competition requirements. Subrecipients only receive reimbursement for their actual direct or approved indirect costs such that they do not "profit" from the transaction and subrecipients are subject to the same Federal requirements as the pass-through entity. In contrast, consistent with 2 CFR 200.331, procurement contractors (including individual consultants) typically provide goods and services on commercial terms, operate in a competitive environment and a reasonable profit is allowable. Subawards usually are allocated to not for profit or government entities without competition and require:

-Subrecipients must meet all federal requirements that the direct recipient meets.

-Recipients must provide the aggregate amount they propose to allocate to subawards as a separate line item in the “Other” category.

-Recipients must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with all Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

-Recipients must report on subaward activity including: 1. Summaries of results of reviews of financial and programmatic reports. 2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance. 3. Environmental results the subrecipient achieved. 4. Summaries of audit findings and related pass-through entity management decisions. 5. Actions the pass-through entity has taken to correct deficiencies. [EPA Subaward Reporting Requirements Audit Requirements 200.501](#)

For more information on subawards and Single Audit visit <https://www.epa.gov/grants/grants-policy-issuance-gpi-16-01-epa-subaward-policy-epa-assistance-agreement-recipients>

Participant Support Cost (PSC) - [Participant Support Cost - 200.456](#)

Q Will funds be allocated to support the participation of an individual in EPA-funded program through the payment of stipends or travel allowance?

Q Will funds be used to provide rebates, subsidies, and similar financial incentives to encourage participation in EPA funded programs?

A These transactions are neither procurement contracts nor subawards but are participant support costs. For more information on PSC visit <https://www.epa.gov/sites/default/files/2020-11/documents/epa-guidance-on-participant-support-costs.pdf>

Intergovernmental agreement - [Interagency Service - 200.417](#)

Q Will funds be transferred between agencies of the same unit of government?

A These transactions are interagency service agreements or intergovernmental agreements.

For more information on intergovernmental agreements visit <https://www.epa.gov/sites/default/files/2021-03/documents/best-practice-guide-for-procuring-services-supplies-equipment.pdf>

II Other Object Class Categories

For guidance on how the budget and workplan must address Personnel, Fringe, Travel, Other and Indirect Cost, please visit [Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial](#)