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EPA Cooperative Agreement Recipients (CARs) often find it necessary to procure professional services to implement their workplans. This is common for all types of EPA Brownfields CARs, including Multipurpose, Assessment, Revolving Loan Fund, Cleanup, and Job Training grantees. Following federal procurement guidelines in all work is critical and can be a bit confusing to navigate.

This guide provides an overview to help CARs navigate:

- (1) The difference between subawardee and contractor relationships;
- (2) How to determine if what you need is considered a subaward or contract; and
- (3) Things to consider in each relationship.

Subaward or Contract?

CARs can work within two types of relationships to implement workplans and meet deliverables: subawardees and contractors. These entities can support a number of grant eligible activities, such as program administration, environmental assessments, planning activities, cleanup activities, and community outreach.

The procurement of these services is governed by the [Procurement Standards of the Uniform Administrative Requirements, Cost Principle and Audit Requirements for Federal Awards](#), or 2 CFR Part 200. These standards outline definitions, policies, and procedures for procurement and must be followed by all CARs.

The difference between a subaward and a contract can feel nuanced and difficult to navigate, but it is important to correctly identify the relationship, as this will impact how you can procure them and the terms of their agreement with you. [2 CFR 200.331](#) provides guidance to help determine whether a transaction is a subaward or procurement contract, and a summary of this guidance is provided in the following sections. There are also different reporting requirements for CARs depending on whether a subaward or contract is used to obtain grant support from an outside entity.

Subaward

CARs can get support for implementation of workplan tasks by providing funding via a subaward to an eligible organization. Subawards are typically entered into without competition, meaning that you do not have to conduct a Request for Proposals (RFP) process. A subawardee or subrecipient is an entity that “receives a subaward from a pass-through entity to carry out part of a Federal award.”¹

¹ [2 CFR 200.1](#)

Navigating EPA Procurement: Subawards vs Contracts



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A subrecipient may²:

- Determine who is eligible to receive what federal assistance.
 - For example, they may work as part of your team to determine if a site is eligible for assessment or planning activities under your Community-Wide Assessment grant.
- Have its performance measured in relation to whether the objectives of a federal program were met.
 - For example, they report their work to the CAR in terms of deliverables as listed in the workplan.
- Have responsibility for programmatic decision-making.
 - For example, they help make decisions regarding priorities or strategies for implementing the workplan, in partnership with the CAR.
- Be responsible for adherence to applicable federal program requirements specified in the federal award.
 - That is, they must adhere to the same regulations as the CAR and the same eligibility requirements from the EPA Brownfields program.
- Implement a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of CAR.
 - That is, they are not providing something simply for the CAR organization, but rather for the broader purpose of the EPA Brownfields program.

For-profit entities are almost never considered subrecipients or eligible to work under the framework of a subaward. A good rule of thumb for EPA Brownfields grants is that if an entity is not eligible to apply for an EPA Brownfields grant directly, they are likely ineligible to be a subrecipient.

There are many examples of EPA Brownfields CARs working with subrecipients to implement their grant. A few specific scenarios are provided below.

- (1) A **state environmental agency** receives a Community-Wide Assessment grant. They partner with a **local government** to lead and oversee assessment work in their municipality and provide the local government with the funding to complete identified objectives as measured in the cooperative agreement. The municipality can make decisions about prioritizing the funds and which sites to conduct assessment activities on.
- (2) A **municipal government** receives a Cleanup grant. They have worked with grants in the past but are not as familiar with the EPA program management components of the cleanup process. They partner with their **local development district**, which has experience navigating federal systems. The local development district manages reporting,

² [2 CFR 200.331](#)



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drawdowns, and other program management components of the implementation of the cleanup.

- (3) A **regional development agency** receives a Community-Wide Assessment grant. They have great contacts in the real estate and industrial development sectors but are not well-versed in community engagement. They partner with their **regional community development corporation**, which develops, implements, and reports on the community involvement plan, including all public meetings, outreach and education, and other deliverables.

Contractors

Brownfields CARs can also implement parts of their workplan by procuring/hiring a contractor. Contractors for services above the micro-purchase threshold³ must be procured through a competitive process compliant with 2 CFR 200⁴. This typically involves a Request for Proposals (RFP) or Request for Qualifications (RFQ) process. Competitions for contractors must, to the maximum extent practicable, ensure open and free competition. Procurement processes must be well-documented and clearly explained to potential respondents. CARs are required to consider cost in this process (more below) but are not required to select the lowest bid on EPA Brownfields projects. In most cases, the RFP/RFQ process must follow applicable federal and state requirements/guidance.

This type of relationship looks more like a typical client/provider relationship, where the contractor:

- Provides the goods and services within normal business operations.
 - That is, the work they are doing is part of their standard business.
- Provides similar goods and services to many different purchases.
 - For example, the most typical contractor on an EPA Brownfields grant is an environmental consulting firm, which likely conducts Environmental Site Assessments for a wide range of clients at any given time.
- Normally operates in a competitive environment.
 - For example, the provider is a for-profit entity working under a business model to attract clients for revenue.
- Provides goods or services that are ancillary to the implementation of a federal program.

³ [The current micro-purchase threshold is \\$15,000.](#)

⁴ Micro-purchases may be awarded without soliciting competitive price or rate quotations if the recipient or subrecipient considers the price reasonable based on research, experience, purchase history, or other information; and maintains documents to support its conclusion. Purchase cards may be used as a method of payment for micro-purchases. ([2 CFR 200.320](#))

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- For example, a CAR who wishes to work with another entity to provide administrative services, such as accounting or IT support for payroll, would require a contract rather than a subaward.⁵

Most Brownfields CARs enter a contractor relationship with a Qualified Environmental Professional (QEP) to conduct Phase 1 and 2 Environmental Site Assessments, but other examples might include a firm who conducts planning activities.

Don't Fret – Ask for Help!

This process can be overwhelming, hard to decipher, and intimidating. It is important that you follow all the right guidelines and procedures, but you don't have to go it alone. Your EPA Project Officer and Mid-Atlantic TAB are here to support your project and answer any questions along the way.

Related Resources

- [Amended Grants Policy Issuance – EPA Subaward Policy](#) (EPA)
- [EPA Subaward Policy Appendix A: Distinctions Between Subrecipients and Contractors](#) (EPA)
- [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#) (EPA)
- [Distinctions between Subawards and Contracts](#) (EPA)
- [Subaward Policy Frequent Questions](#) (EPA)
- [Proactive Procurement: How to Ask for & Get What you Need](#) (Mid-Atlantic TAB)
- [Brownfields Grants: Guidance on Competitively Procuring a Contractor](#) (EPA)

Contact Us



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⁵ [EPA Subaward Policy Frequent Questions \[Updated November 2024\]](#)



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