

Below are factors for non-state entities<sup>1</sup> to consider and incorporate in issuing a Request for Proposals (RFP)/ Request for Qualifications (RFQ) (or other solicitation document(s)) for the services to be performed in connection with current and/or future EPA Community Grants projects. This guidance applies when the amount of the contract will be more than the micro-purchase threshold (\$10,000 for most entities).<sup>2</sup>

Consistent with [2 CFR 200.319](#), do not seek or accept any assistance from a contractor in preparing an RFP/RFQ if that same contractor plans to submit an offer in response to that RFP/RFQ.

- You may not accept a proposal, bid, or other type of offer from a potential contractor that provides any assistance or guidance in developing, drafting, or preparing the RFP/RFQ.
- Assistance also includes situations in which the contractor provides sample RFP/RFQ materials or suggests that you review a particular community's RFP/RFQ as an example. This is an improper procurement practice.

Consistent with [2 CFR 200.319](#), do not include language that restricts/limits competition or gives a particular contractor an advantage.

- For example, stating that you only seek firms with experience with the EPA Community Grants program limits the competition. Such a restriction is inconsistent with 2 CFR 200.319(b)(1) in that it does not allow firms that have experience in addressing water and/or wastewater infrastructure projects (but not necessarily the EPA Community Grants Program) or new firms entering the market to compete.
- Also, do not mention any other contractor in the RFP/RFQ as that could discourage other contractors from submitting an offer.

EPA recommends including options-based procurement.

- If your organization is awarded another Community Grants award (or any EPA grant) in a certain period of time (EPA's guidance is within 5 years), including "options" in the RFP/RFQ will allow you to potentially use the same contractor to conduct work under this grant and/or future grants. If you exercise this option, you must request updated cost information from the contractor to determine if there is a change in rates and to ensure the new price for services is reasonable as required by 2 CFR 200.324(a) and 2 CFR 200.404. You should verify that any price increase is reasonable by using information available online (or other sources) to conduct a market survey.
- For example, the RFP/RFQ may state: "The resulting contract will be for four years. [Organization Name] may amend or extend this contract beyond the initial four years to accommodate the terms and conditions of the FYXX Community Grants award or future EPA grants awarded to [Organization Name] within this four-year period provided a market survey conducted by [Organization Name] indicates that the prices the contractor proposes are reasonable."

Generally, and consistent with [2 CFR 200.320\(b\)\(2\)\(iii\)](#), price must be a selection factor in the evaluation of proposals or quotes.

- The reasonableness of costs/price proposals must be evaluated for the scope of services outlined in the RFP/RFQ and must be a substantially weighted criterion. This is to help ensure that recipients are receiving the most advantageous offer, with price and other factors considered, for the work proposed by each bidder. EPA recommends that the cost/price reasonableness criterion is weighted at least 25%.
- As provided in 2 CFR 200.320(b)(2)(iv), "[q]ualifications-based procurement," where price is not a factor, may be used when acquiring services that can only be provided by a licensed Architectural and Engineering (A/E) firm; such as when federal, state, or local law requires that an A/E firm develop specifications for construction work that is part of a project. When the project activities do not require the services of an A/E firm, price must be evaluated for those activities.
- **Qualification-based procurement applies to projects that contain CWSRF-eligible activities, which are subject to the Brooks Act contained at 40 USC 1101 et seq. relating to the selection of architects and engineers.** The Brooks Act provisions relating to the selection of architects and engineers do not apply to projects that contain solely DWSRF-eligible activities.

<sup>1</sup> Consistent with 2 CFR 200.317, states follow the same competitive policies and procedures they use for procurements from their non-Federal funds.

<sup>2</sup> As stated in 2 CFR 200.320(a)(1), informal procurement methods may be used when the value of the contract does not exceed the micro-purchase threshold.

The RFP/RFQ must include weighted factors against which responses will be evaluated or a similar evaluation framework that establishes a documented rationale for selecting the contractor as required by 2 CFR 200.318(i).

- EPA recommends that the reasonableness of cost/price proposal is at least 25% of the total percentage. This factor may be evaluated at the same time as the other factors for all bids (which is EPA's preference) or only evaluated for two or more top-scoring bids (when multiple bids are received).

**For example**, responses will be evaluated against the following factors:

- X% - Demonstrated experience in [infrastructure project activities]
- X% - Demonstrated experience in successfully completing tasks/projects
- X% - Experience and capacity of project team/personnel
- X% - Reasonableness of cost/price proposal (e.g., rates) based on a comparison of prices among competing offerors and other available information on market rates for consulting services (*if applicable*)
- X% - References

Instead of criteria that are weighted by percentage, you may choose to assign points to each selection factor or include a range of points with associated descriptors. **For example:**

- Highly Advantageous (4 Points): Proposal demonstrates...
- Advantageous (3 Points): Proposal demonstrates...
- Not Advantageous (2 Points): Proposal demonstrates...
- Unacceptable (0 Points): Proposal does not demonstrate...

**Do not include the workplan in the RFP/RFQ if you received assistance from a contractor in developing the workplan and that contractor plans to submit a bid.**

- You may (and should) include summary information from the workplan about the project in the RFP/RFQ, but do not include the specific details from the workplan or the actual workplan with the RFP/RFQ.
- Additionally, if a contractor assisted in the development of the workplan, including the workplan in the solicitation documents will give that contractor an unfair competitive advantage and you cannot accept a bid from that contractor.

**Make good faith efforts to solicit proposals or quotes from Disadvantaged Business Enterprises as required by 40 CFR Part 33.**

- EPA does not currently have a directory or list of certified MBEs/WBEs, however, EPA recommends checking with the Small Business Administration, [U.S. Department of Transportation](#), or the state in which your organization intends to do business.

**The RFP/RFQ must be publicly advertised on a website or through other means designed to promote full and open competition. EPA's recommendation is to have the bidding period open for at least 30 calendar days (see also [40 CFR 33.301](#)).**

**If only one bid is received, you must negotiate profit as a separate element of the contract.**

- If you only receive a bid from one firm in response to the RFP/RFQ and you intend to award an EPA-funded contract to that firm that exceeds the \$250,000 Simplified Acquisition Threshold and will be awarded without price competition, you must negotiate profit as a separate element of the contract price as required by 2 CFR 200.324(b).
  - You should ask the contractor to disclose its profit rate as part of the negotiations.
  - You will need to exercise judgment as to whether the profit rate is reasonable, either based on experience or researching information online (or elsewhere) about average profit rates for environmental consulting firms.
- This provision also applies to "qualifications-based" procurement for Architectural and Engineering services where the price is not a selection factor as a means of ensuring that the compensation is fair and reasonable as required by 2 CFR 200.320(b)(2)(iv). In this situation, EPA may ask for more information regarding the contractor's profit margin at a later date.

**If you select a contractor that is not offering the lowest price, you must document the rationale and basis for the contract price as required by 2 CFR 200.318(h) and (i).**

- You may be required to provide this documentation to EPA's Grants Management Officer (GMO) for review as required by 2 CFR 200.337(a). Prior approval of the contract terms by the GMO may be required as provided for in 2 CFR 200.208(c)(6) if the GMO is concerned about your organization's compliance with competitive procurement rules.