

# ACQUISITION AND INTERAGENCY AGREEMENTS OVERVIEW

## SUMMARY:

- Acquisition and interagency agreements represent a critical function at the EPA, as the Agency relies on suppliers providing goods and services to meet its mission.
- In FY 2024, the EPA awarded approximately \$2.2 billion in contracts and issued approximately \$829 million in interagency acquisitions (IA), representing approximately 38% of all EPA obligations.

## BACKGROUND:

### ACQUISITION INFORMATION

- The Office of Acquisition Solutions (OAS) mission is to protect human health and the environment by collaborating with mission partners to achieve mission critical acquisition solutions. The OAS vision is to be an enterprise asset and valued Agency partner by providing best in class acquisition solutions.
- The EPA's contracting function is led by the Assistant Administrator who is designated as the Chief Acquisition Officer (CAO) within the Office of Mission Support (OMS). The OAS Director is designated as the Senior Procurement Executive (SPE) for the Agency and is delegated contracting authority as the Head of Contracting Activity (HCA), which the Director further delegates to warranted contracting officers. The EPA's contracting is decentralized; however, OAS provides the policy, guidance, and oversight of the Agency's acquisition program.
- The four divisions of OAS manage contracting activities, which represent approximately 55% of obligated dollars in FY24. OAS divisions include:
  - Washington, D.C.-based Headquarters Acquisition Division (HQAD);
  - Information Technology Acquisition Division (ITAD) in Research Triangle Park (RTP), North Carolina (NC);
  - Cincinnati Acquisition Division (CAD) in Cincinnati, Ohio (OH); and
  - Partnership and Development Division (PDD), also in Washington, D.C.
- Nine of the 10 EPA Regions<sup>1</sup> have contracting offices within their organizational structure, and their contracting activities account for approximately 40% of EPA's obligations. Generally, Regional contracting supports the execution of Superfund activities but may also provide other contracting needs as well.
- The Office of Research and Development (ORD), the Office of Air and Radiation (OAR) and the Office of Inspector General (OIG) have simplified acquisition contracting officers (SACOs) within their organizational structure and their contracting activities account for 5% of EPA's obligations. Generally, SACOs support smaller dollar purchases less than \$250,000.
- The Federal Acquisition Regulation (FAR) defines the term "acquisition" as "the acquiring by contract with appropriated funds of supplies or services... by and for the use of the Federal Government," so this fact sheet focuses on contracts. Support is needed to provide a solid contracting foundation to accomplish mission objectives. In addition to following the FAR, EPA has promulgated supplemental acquisition regulations known as the EPA Acquisition Regulation (EPAAR).
- Contractors are often used to add capacity, knowledge, skills, and abilities that do not exist in-house at the EPA. Additionally, contractors are utilized to provide flexibility to respond to urgent needs where full-time equivalent (FTE) staff cannot be quickly mobilized, or to short-term needs where hiring an FTE would not be cost effective. When contractors are used, specific performance measures and expectations are identified in each contract. For services, these measures are typically documented in a Quality Assurance Surveillance Plan (QASP).

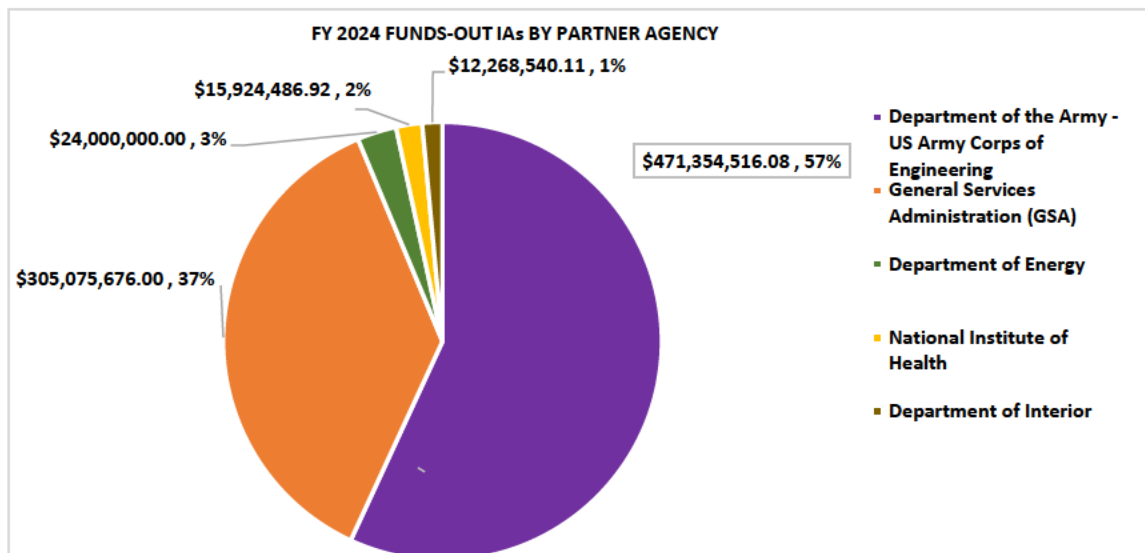
<sup>1</sup> Region 7 provides contracting support for Region 10.

- Approximately 21% of the EPA's fiscal year 2024 (FY24) budget was contract dollars. The procurement of goods (such as the purchase of office supplies) are approximately 4% of the EPA's contracting dollars and services are approximately 96%.
- Decisions on the award of contracts are based on established competitive processes and procedures. The Agency advertises its contract requirements and vendors can submit proposals which are evaluated in strict accordance with Agency procedures and applicable procurement statutes and regulations. Proposals are evaluated against established criteria by technical evaluation panels comprised of subject matter experts (SMEs).

## INTERAGENCY AGREEMENTS

- IAs are legal instruments used to transfer funds between the EPA and other Federal agencies, state or local governments, foreign governments, foreign entities or international organizations. They assist the EPA in accomplishing its mission in a more effective, efficient, and economical manner, and allows other agencies or entities to benefit from the EPA's specialized resources or knowledge.
- The Agency utilizes two types of IAs: 1) Funds-Out (i.e., Disbursement) when the EPA is the ordering or requesting Agency; and 2) Funds-In (i.e., Reimbursement) when the EPA is the performing or servicing Agency.
- Interagency agreements with other Federal agencies, like the United States (U.S.) Army Corp of Engineers (USACE) and the Department of the Interior (DOI), account for approximately 24% of obligations.
- The award and administration of IAs are governed by various statutory authorities and annual appropriations acts, and guidance such as OMB guidance from the Office of Federal Procurement Policy, the Treasury Financial Manual, and additional EPA policy and guidance. Since May 2009, the EPA has managed IAs through IA Shared Service Centers (IASSCs) located in Washington, D.C. (IASSC East) and Seattle, WA (IASSC West). Each IASSC provides services to specific Federal, state, local and foreign partners. In FY 2023, as identified in SAM.gov, the Agency partners were serviced by each IASSC as follows:

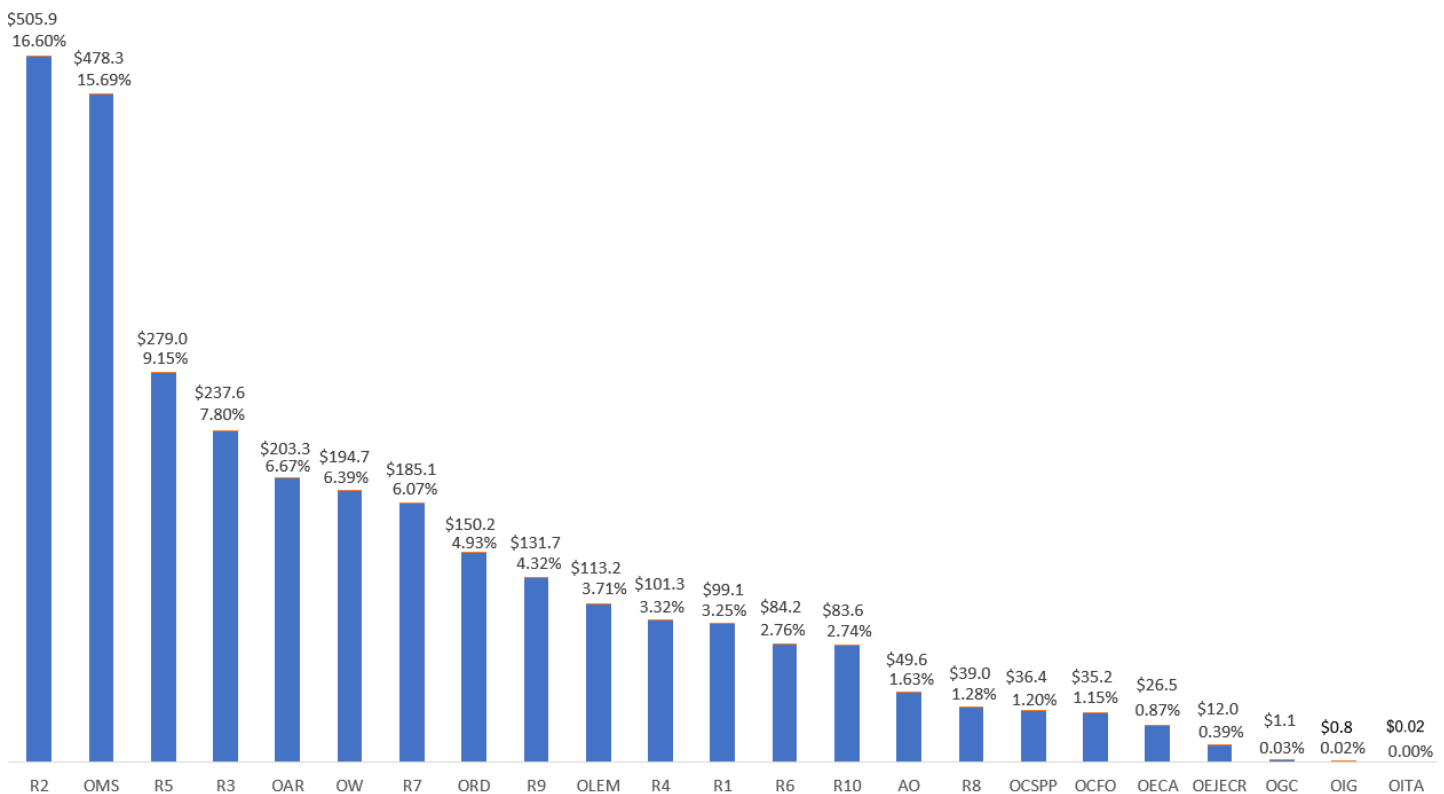
IASSC East	IASSC West
<p><b>Partner agencies:</b></p> <ul style="list-style-type: none"> <li>• General Services Administration (GSA)</li> <li>• Public Building Service</li> <li>• All other Federal, state, local and foreign agencies not otherwise listed</li> </ul>	<p><b>Partner agencies:</b></p> <ul style="list-style-type: none"> <li>• Department of the Army - U.S. Army Corps of Engineers (USACE)</li> <li>• National Institutes of Health</li> </ul>



- In FY21, contract obligations were \$1.55B. In FY24, the EPA's contract obligations are \$3.05B; however, this data represents approximately 6.4% of the EPA's actual obligations.

**Total EPA Contract Obligations (FY21-FY24) \$M**

- The chart below illustrates the top 10 funding offices in the EPA, which comprise 81% of total spending. Note that the CIO/IT is within OMS. Region 2 has the highest obligations and funds across the EPA, and several other programs have significant obligations to support mission objectives. Regional spending is primarily in support of the Superfund program.

**Top Funding Offices (FY24) \$M**

- The table below shows the contracting actions and dollar amounts managed by the EPA Regions, OAS divisions, and through IAs. Of the EPA contracting offices, OAS manages most of the contracting actions, while several Regions have significant obligations.

#### FY24 Contract Obligations by Contracting Offices

	Contracting Office	FY24 (\$M)	% of Total	Actions
1	Through IAs	\$829.0	27.20%	511
2	CAD	\$437.8	14.36%	3539
3	HQAD	\$371.0	12.17%	2797
4	R5	\$262.4	8.61%	937
5	Region 7 (Includes R10)	\$256.0	8.40%	984
6	R3	\$226.6	7.43%	776
7	ITAD	\$199.1	6.53%	886
8	R9	\$124.0	4.07%	966
9	R4	\$105.6	3.46%	395
10	R1	\$96.7	3.17%	321
11	R2	\$56.3	1.85%	271
12	R6	\$31.1	1.02%	230
13	R8	\$28.7	0.94%	417
14	ORD Simplified Acquisitions Branch (SAB)	\$16.0	0.52%	658
15	LAB <sup>2</sup> - ANN ARBOR, MI - CO OFFICE	\$3.2	0.10%	71
16	PDD	\$2.9	0.10%	77
17	LAB - LAS VEGAS, NV - CO OFFICE	\$1.1	0.04%	25
18	LAB - MONTGOMERY, AL - CO OFFICE	\$0.7	0.02%	20
19	SACO - OFF INSP GEN (OIG)-CO OFFICE	\$0.1	0.00%	7

- The next table lists the EPA’s top 10 categories of spend. The EPA primarily buys services to support environmental clean-up with its contracting dollars. Five of the top 10 categories of contract actions directly support environmental services. Other significant categories include professional advisory, training and consulting services, engineering services, information technology (IT) services, and emergency response support.
- Category definitions are primarily based on Product and Service Codes (PSCs) used to describe the products, services, as well as research and development (R&D) purchased by the Federal government. “Other” spend categories not depicted here due to low obligation values include a host of spend categories. Examples are delivery services, administrative support, facility operations and maintenance, laboratory equipment and support, and various IT categories such as consulting services, network services, data management, and security.

**Top Categories of Contract Obligations (FY24)**

	<b>Category</b>	<b>FY24</b>	<b>% of Total</b>
1	<b>Environmental Systems Protection- Remediation</b>	<b>1.138.9M</b>	<b>37.37%</b>
2	<b>Other Environmental Services</b>	<b>350.7M</b>	<b>11.51%</b>
3	<b>Other Professional Services Support</b>	<b>329.3M</b>	<b>10.81%</b>
4	<b>Application Services (Labor)</b>	<b>278.5M</b>	<b>9.14%</b>
5	<b>Other Technical &amp; Engineering Services</b>	<b>77.3M</b>	<b>2.54%</b>
6	<b>Architect and Engineering- General and Construction</b>	<b>74.7M</b>	<b>2.45%</b>
7	<b>Environmental Systems Protection- Consulting and Legal Support</b>	<b>73.7M</b>	<b>2.42%</b>
8	<b>Emergency Response/Disaster Planning/Preparedness</b>	<b>70.5M</b>	<b>2.31%</b>
9	<b>Application Development (Software Services)</b>	<b>44.4M</b>	<b>1.46%</b>
10	<b>Special Studies &amp; Analysis</b>	<b>41.4M</b>	<b>1.36%</b>
	<b>Grand Total</b>	<b>2,479.4M</b>	<b>81.37%</b>

- The chart below indicates the EPA's top 10 largest vendors, which support several programs and Regions and had several active contracts in FY24.
- Approximately 51% of the EPA's FY24 contractual obligations were made on awards to Small Business; 20% were Small Disadvantaged Business (SDB), 9% were 8(a) Business, 7% were Women-Owned Small Business (WOSB), and 2% were Service-Disabled Veteran-Owned small Business (SDVOSB).

**Top Vendors (FY24)**

Vendor	Primary Categories	# of Funding Offices	Active Contracts	FY24(\$M)	% of Total
1. SEVENSON ENVIRONMENTAL SERVICES, INC.	Facilities & Construction	2	6	351.4 M	12%
2. GENERAL DYNAMICS INFORMATION TECHNOLOGY, INC.	Facilities & Construction Professional Services IT	9	11	194.6 M	6%
3. EA ENGINEERING, SCIENCE, AND TECHNOLOGY, INC., PBC	Facilities & Construction Professional Services	13	6	178.6 M	6%
4. EASTERN RESEARCH GROUP INC	Facilities & Construction Professional Services Security and Protection IT	22	11	118.3 M	4%
5. TETRA TECH, INC.	Facilities & Construction Human Capital Professional Services	14	8	93.7 M	3%
6. HYDROGEOLOGIC, INC.	Facilities & Construction	11	5	93.1 M	3%
7. SALIENT CRGT INC	IT	1	1	81.0 M	3%
8. AECOM TECHNICAL SERVICES, INC.	Professional Services Facilities & Construction	8	3	78.4 M	3%
9. ENVIRONMENTAL RESTORATION LLC	Facilities & Construction	12	11	70.6 M	2%
10. LEISNOI DIVERSIFIED-KEMRON 8A JV, LLC	Facilities & Construction	1	1	66.2 M	2%
<b>Total</b>				<b>1,325.9 M</b>	<b>44%</b>

**NOTE: Other Vendors (1309) accounts for 1,721.6M and 56% of total contract obligations**

- In FY24, the top 10 contracts made up \$729.0M in obligations. See chart below. These contracts were all strategically important in meeting the Agency's mission. Services provided under these contracts include cleanup of Superfund and other contaminated sites, IT application/systems support, and professional advisory and consulting services in support of the EPA's mission.

**EPA Top 10 Individual Contracts by Obligations (FY24)**

Contract #	\$ Obligated (\$M)	Vendor	Primary Category	Contract Office	Primary Funding Office
1 W912DQ24C3003	180.0	Sevenson Environmental	Environmental Services	Kansas City (ARMY)	Reg 2
2 47QTCK18D0003-47QFCA22F0018	115.8	General Dynamics Information Technology	IT Application	GSA/FAS	OMS
3 47QTCK18D0060-47QFCA22F0026	81.0	Salient CRGT, Inc.	IT Application	GSA/FAS	Reg 2
4 68HERH19D0008	68.3	EA Engineering, Science, and Technology	Environmental Services	Reg 3	Reg 3
5 68HE0524C0005	66.2	Leisnoi Diversified-Kemron 8a JV	Environmental Services	Reg 5	Reg 5
6 W912DQ24C3001	63.0	Sevenson Environmental	Environmental Services	Kansas City (ARMY)	Reg 2
7 47QTCK18D0022-47QFCA23F0030	44.4	CGI Federal, Inc.	IT Application	GSA/FAS	OMS
8 W912DQ24C3000	42.0	Sevenson Environmental	Environmental Services	Kansas City (ARMY)	Reg 2
9 68HERH19D0001	34.3	AECOM Technical Services	Environmental Services	Reg 5	Reg 5
10 68HERH22A0025	34.0	Endyna, Inc.	Other Professional Services	HQAD	OAR
<b>Grand Total</b>	<b>729.0</b>				
<b>Others (2193)</b>	<b>2,318.5</b>				

KEY EXTERNAL STAKEHOLDERS:

- ☒ Congress      ☒ Industry      ☐ States      ☐ Tribes      ☐ Media      ☒ Other Federal Agency  
☐ NGO      ☐ Local Government      ☐ Other (name of stakeholder) \_\_\_\_\_