

Source Reduction Assistance Grant Guidance for Potential Applicants

The following guidance was compiled to assist potential applicants who seek to apply for FY 2020 – FY 2021 Source Reduction Assistance (SRA) Grants.

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A. Applicant Eligibility

Question A.1: *Can an individual or a small business apply for SRA grant funding?*

No. EPA policy prohibits individuals and small businesses from applying for funding under this grant program.

Question A.2: *If I am a private entity, can I partner with an eligible entity to apply for grant funding?*

Yes. A partnership may take place between a private entity and an eligible entity. However, the private entity is not eligible to apply only the eligible entity may apply for grant funding. The eligible entity will be responsible for submitting the application to the applicable EPA Region. If selected for funding the eligible entity will be responsible for overseeing the execution and implementation of the work plan. The private entity may participate on the work plan, and if negotiated with the eligible entity may receive grant funding to conduct specified work during the grant period.

Question A.3: *Can I sub-award work to private consultants or private businesses?*

Can I sub-award work to private consultants or private businesses?

For Contractors – Grant recipients may hire for profit firms and individual consultants as contractors provided they comply with the Procurement Standards of 2 CFR Part 200. (Subcontractors are firms or individuals hired by prime contractors). States follow their own

procurement procedures for the most part as provided by 2 CFR 200.317, but are subject to EPA's 40 CFR Part 33 Disadvantaged Business Enterprise rule. For other SRA grant recipients (eligible tribes, colleges and universities), the Procurement Standards require competition for purchases in excess of \$3500 unless the recipient has an acceptable sole source justification. It is very unlikely that EPA will accept a sole source justification for products and services that are available in the commercial market place such as environmental consulting. Applicants are advised to not specifically name a contractor or consultant on a grant application UNLESS that contractor has been selected in compliance with the Procurement Standards. Instead, the applicant should indicate what experience or expertise they intend to contract for to meet the objectives of the project. If a specific contractor is named, applicants should be able to demonstrate how securing the contractor's services WILL meet the Procurement Standards. EPA encourages applicants to review our [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#) for additional information on EPA's policies on competitive procurement by recipients.

For Subcontractors – Prime contractors may hire subcontractors.

For Subrecipients (a.k.a. Subawardees) – Subrecipients (a.k.a. Subawardees). Recipients may provide financial assistance to eligible subrecipients to carry out part of their EPA funded project. Eligible subrecipients include tribes, intertribal consortia, local governments, non-profit organizations, and institutions of higher education that are either state or tribal institutions or operate on a nonprofit basis.

For-profit organizations or individuals, with few exceptions, are not eligible subrecipients. However, an example of an eligible for-profit subrecipient would be a manufacturing firm that receives financial assistance to adopt P2/source reduction practices at its facility and uses those funds from the project to improve its own facility.

Also, if the for-profit receives funds for its own staff or for the operation and maintenance of contractors as well as equipment purchases supporting P2/ source reduction practices then a subaward would be appropriate.

On the other hand, if all the grant recipient will do is subsidize the purchase and installation of the equipment then the funding transfer to the for-profit could be categorized as a participant support cost and in so doing a subaward would not be necessary.

Please Note: As a pass-through entity, a recipient that makes subawards must comply with the subrecipient monitoring and management requirements at 2 CFR 200.330 through 200.332. Among other things, subrecipients must comply with the 2 CFR Part 200 Procurement Standards when hiring contractors. Refer to [Grant Policy Issuance 16-01: EPA Subaward Policy for EPA Assistance Agreement Recipients and applicable provisions of 2 CFR Part 200](#).

B. Eligible Projects and Scope of Work

Question B.1: *The RFA states “... should emphasize the “learning” concept of gathering or transferring information or advancing awareness, as opposed to “fixing” an environmental problem using a well-established method.”*

Can you elaborate?

Examples of well-established methods would involve: proposing established P2 activities that have been previously applied and used by others, recycling initiatives, treatment of contaminants, pollution control initiatives, clean-up, disposal of waste, and energy recovery projects.

Question B.2: *What types of grant projects does EPA seek to fund?*

EPA seeks to fund work that uses pollution prevention (P2)/source reduction methods to gather or transfer information or advance awareness. Successful work plans will be those that offer practical and innovative P2 tools, information or approaches to help reduce or eliminate the use of hazardous materials, reduce the use of water or energy consumption or reduce harmful air emissions.

In order for prospective applicants to demonstrate that their application merits funding consideration, applicants will need to propose project activities that deliver new P2 tools, information or approaches that can measurably improve the public’s health and surrounding environment and can be shared with others. To do this: 1) applicants will need to select an industry sector area of focus by addressing at least one of the SRA grant program’s National Emphasis Areas – as described in Section I.F of the Request for Applications, and, 2) applicants must select at least one of the following technical assistance methods as the primary approach for performing the grant activity: a) research, b) investigation, c) experiments, d) education, e) training, f) studies, and/or g) demonstration of innovative techniques.

Question B.3: *The RFA states that “pollution prevention/source reduction does not include any practice which alters the physical, chemical or biological characteristics or the volume of a hazardous substance, pollutant or contaminant through a process or activity which itself is not integral to and necessary for the production of a product or providing a service.”*

Can you elaborate?

Grant work must involve innovative research, demonstration projects, studies, surveys, training, or use of tools to prevent or reduce pollutants from entering the air, water or land are the kind of preventive actions that help to limit risks and hazards to human health and the environment. These are the kinds of actions prospective SRA applicants may perform to conduct P2/source reduction work. Alternatively, projects that involve waste treatment, clean-up, removal/disposal, or recycling by-products that pollute the air, water, or land and cause environmental and public health concerns are not the kinds of actions that will receive funding under this program. Rather, these actions are better suited for clean-up and recycling initiatives. For more information on recycling and clean-up activities, please visit [EPA’s Reduce, Reuse, Recycle website](#).

Question B.4: *Can applications be submitted for demonstration projects?*

Yes, provided that the demonstration project will help to present a new, innovative technology, method or approach on P2, and the project results will be disseminated widely so that others may benefit from the information. A project that is accomplished through the performance of routine, traditional, or established practices, or a project that is simply intended to carry out a task rather than transfer information or advance the state of knowledge, however worthwhile the project might be, is not a demonstration project as defined under the SRA program.

Question B.5: *What are the National Emphasis Areas (NEAs)?*

Answer: NEA #1: Food and Beverage Manufacturing and Processing; NEA #2: Chemical Manufacturing, Processing and Formulation; NEA #3: Automotive Manufacturing and Maintenance; NEA #4: Aerospace Product and Parts Manufacturing and Maintenance; NEA #5: Metal Manufacturing and Fabrication

- More information about EPA's FY20-21 NEAs can be found here:
<https://www.epa.gov/p2/p2-national-emphasis-areas-neas>

Question B.6: *What kinds of case studies would meet the case study output requirement?*

Answer:

- EPA expects that each grantee will develop at least one of these case studies during the grant period.
- Case studies will provide technical information on 1 or 2 specific P2 practices, so that other P2 technical assistance providers or interested businesses can learn from and replicate those practices (2-5 pages). Guidance on the elements of a P2 case study are in Appendix F.
- Case studies are encouraged to highlight P2 practices that are new, not widely known or adopted, or where the grantee believes detailed information on the P2 practices could benefit other business facilities or P2 technical assistance providers.
- Case studies submitted by grantees will be used to build and share a body of knowledge about P2 practices that could be implemented at other similar business facilities.

C. Use of Grant Funding

Question C.1: *The solicitation states the award range will be between \$20,000 - \$200,000 to support SRA grants or cooperative agreements. My project costs are estimated at \$200,000. May I apply for the maximum allowable grant?*

Yes. However, all funding amounts noted in the RFA are estimates and are subject to Congressional appropriation. EPA will review applications impartially and will decide if an application merits funding.

Question C.2: *The RFA notes partial funding. What is partial funding? How does it work?*

When deciding how much SRA funding to award selected applicants, the Region may reserve the right to partially fund applications by funding discrete activities, portions, or phases of a proposed grant project. A Region which partially funds an application will do so in a manner that will not prejudice any applicant or affect the basis upon which a proposal or a portion thereof was evaluated or selected for award in order to maintain the integrity of the competition, the evaluation and the selection process.

Question C.3: *The RFA notes incremental funding. What is incremental funding? How does it work?*

If an applicant is selected for an award, the award funding may be issued in increments over the life of the grant project period.

For example, an applicant may request \$70,000 to support a two-year project. If the project is selected for an award, the Region may decide to fund the project in increments of \$35,000 per year. This decision is solely made by the EPA, which reserves the right to decide which work plans merit incremental funding. Incremental funding is not guaranteed rather it is contingent on a range of factors – i.e., funding availability in subsequent years, the applicant's performance history and programmatic priorities defined by the Region.

Question C.4: *May current SRA grant recipients re-apply under the current SRA grant competition?*

Answer: Yes. However, the scope of work must indicate new project work. EPA cannot fund project tasks that are currently being funded under the existing SRA grant.

**Question C.5: *What is the difference between a grant and a cooperative agreement?
How should I note my preference in my application?***

Answer:

- Grants: Awards of financial assistance issued by the federal government to eligible recipients based on approved workplans. EPA will not be substantially involved in the performance of grants but will monitor and perform oversight of grant work to ensure federal funds are being used as intended and expended in a timely and efficient manner.
- Cooperative Agreements: Involve substantial involvement between the EPA and the selected applicant in performance of supported work. EPA will negotiate precise terms and conditions relating to substantial involvement as part of the award process.
- The determination of whether a grant or cooperative agreement will be awarded will be made by the applicable EPA Region. If an applicant who like to designate a preference for a grant or cooperative agreement, they may do so by indicating that preference in the project narrative of their application.

Question C.6: *Can funds be used for a project that will start before the expected award date?*

Yes. EPA's regulations allow applicants to incur project costs up to 90 days before EPA officially awards the grant or cooperative agreement. If an applicant incurs costs more than 90 days before the award is released, the EPA Project Officer must alert the Grants Management Office and prepare a written justification to allow those incurred costs.

Question C.7: *If EPA funds are used to help develop a toolkit for an industry sector, who owns the toolkit once it is complete?*

The recipient will own the toolkit. However, as discussed in 2 CFR 200.315, EPA reserves a right to use the toolkit for Federal purposes. By accepting the grant funds subject to the regulation, the grant recipient has agreed to EPA having a license to use the product and data generated with grant funds and allowing others to access and use the material for Federal purposes as discussed in the regulation. At the time of the grant closeout, an agreement can be made between EPA and the recipient on future uses and accessibility.

Question C.8: *Can we buy new hybrid or electric vehicles using grant dollars to reduce greenhouse gas emissions?*

Yes, provided the purchase of the hybrid or electric vehicle is a reasonable and necessary part of the SRA grant project. Applicants must have strong justification for purchases of hybrid and electric vehicles. The vehicles may not be purchased for personal or routine organizational use.

Question C.9: *Can we purchase equipment using SRA funding? What happens to the equipment after the grant is over?*

For applicants representing institutions of higher education and nonprofit organizations, equipment may be purchased with grant funding provided the equipment will help to: demonstrate a new, innovative P2 technique, conduct a survey, study or assist in research, investigation, experiments, or training in P2. When the recipient no longer needs the equipment, the equipment may be used for other activities. If the fair market value of the equipment is \$5,000 or more, the recipient may retain the equipment for other uses provided that compensation is made to EPA. The amount of compensation will be computed by calculating the percentage of Federal participation in the cost of the project – this will be assessed on the current fair market value of the equipment. If the recipient has no need for the equipment, the recipient will need to submit a formal request to EPA subject to the guidelines provided in 200.313.

Question C.10: *Can we purchase fixtures (e.g., CFLs, solar heaters, clean diesel technologies etc) and retrofit buildings or vehicles using the grant dollars?*

Yes, as long as the purchase is reasonable and necessary to: demonstrate a new, innovative technique; conduct a survey, study, or assist in research, investigation, experiments, or training in P2.

D. Submitting an Application

Question D.1: What is the threshold eligibility criteria?

Answer: All applications will be reviewed against the threshold eligibility criteria noted in Section III of the grant announcement. The criteria are used to screen which applications are eligible to merit further review. Applications that meet all criteria will be evaluated against the evaluation criteria noted in Section V.A of the grant announcement. Applications that do not meet the threshold eligibility criteria will not undergo further review, and at the point, EPA will send the applicant a letter of rejection explaining the reason for the disqualification from competition.

Question D.2: *May I submit an application to multiple Regions?*

Yes, provided the projects are distinct and separate, and the work takes place in the Region that received the application. The applicant may not: 1) submit the same application to multiple Regions; 2) submit an application that requests and requires joint funding from more than one Region; or 3) proposes work that does not take place within the Region that received the application.

Question D.3: *If I am located in one Region, may I submit an application to another Region?*

Yes, provided that the project takes place in the Region which received the application.

Question D.4: *Does my application need to address all of the objectives of the agency's strategic plan that are identified in the grant announcement?*

Answer: No. Applicants may address one or more of the strategic plan's goals and objectives as noted in the grant announcement.

Question D.5: *What is included in the 14-page limit?*

Answer:

- The project narrative, including the cover page, cannot exceed 14 single-spaced pages, with a minimum font size of 11.5. Any pages submitted in excess of the page limit will not be reviewed.
- Budget and timeline tables may be submitted as an appendix and will not count toward the 14- page limit. Please refer to Section IV.B of the SRA Grant Request for Applications (RFA) for additional guidance.

E. Application Review Process

Question E.1: *The grant application process can be time consuming. Can you tell me if my project is a good fit for this grant solicitation?*

In accordance with EPA's Assistance Agreement Competition Policy (EPA Order 5700.5A1),¹ P2 program staff may not meet with individual applicants to discuss draft applications, provide informal comments on draft proposals, or provide advice to applicants on how to respond to ranking criteria. Applicants are responsible for the content of the applications. However, consistent with the provisions in the announcement, P2 program staff may respond to questions from applicants regarding threshold eligibility criteria, administrative issues related to the submission of the application, and requests for clarification about the announcement.

Question E.2: *How long does the application review process usually take?*

The review can take between 3-5 weeks.

¹ EPA Order 5700.5A1 - http://www.epa.gov/ogd/competition/5700_5A1.pdf.

Question E.3: *How will I be notified of EPA's decision?*

Applicants that are ineligible to apply for funding, those that have submitted incomplete or ineligible projects will be notified by the appropriate EPA Region within 15 (fifteen) calendar days. Eligible applicants submitting appropriate applications will be notified by the applicable Region within 5 weeks of the review decision. The notification will either be emailed to the applicant based on the contact listed on the Key Contact form of the application package. The Region will notify applicants of funding recommendation selections usually 60 – 90 days from the date of submitting the applications.

EPA anticipates that final award notifications will be made via electronic mail (email) to the successful applicants by September 30, 2020. The notification will inform the applicant that their application has been selected and is being recommended for an award, but it is not an authorization to begin work. The official notification of an award will be made by the appropriate EPA grants office in the region. Applicants are cautioned that only an EPA grants officer is authorized to bind the Federal Government to the expenditure of funds. Selection of an SRA grant does not guarantee an award will be made. For example, statutory authorization questions, funding issues or other discoveries found during the award process may affect the ability of EPA to make an award to an applicant. The award notice, signed by an EPA grants officer, is the authorizing document and will be provided through electronic or postal mail.

Question E.4: *Can I view the applications that were successful in obtaining funds from past solicitations?*

A request to view successful applications may be submitted by email to the appropriate EPA Region.

F. Resources

F.1: Question: *What resources are available to me to learn more about P2 opportunities in each NEA sector?*

Answer:

EPA's Toxic Release Inventory (TRI) page provides information about specific industry sectors and P2 practices at reporting facilities. For more information, see: <https://www.epa.gov/toxics-release-inventory-tri-program/tri-p2-industry-profile>.

F.2: Question: *Who can I contact if I have additional questions?*

Answer:

- Agency Contacts – Section VII of SRA Grant RFA.

- Refer to EPA's P2 Program Grants page <https://www.epa.gov/p2/grant-programs-pollution-prevention>
- EPA's Office of Grants and Debarment's Recipient Training Requirements and Opportunities page: <http://www.epa.gov/grants/recipient-training-requirements-and-opportunities>.