

Grant and Award-Related Issues

Question: What is the difference between a contract and a grant?

Answer: Contracts are used by the Department when the primary purpose of the relationship is to acquire goods or services for our use. DOE makes financial assistance awards (grants) when the primary purpose of the relationship is to transfer something of value to another party to carry out a public purpose of support or stimulation authorized by a Federal law.

Because for this Smart Grid program the Recipient defines the Project, receives the benefit, and has the primary responsibility for success while the DOE receives no direct benefit - financial assistance (grants) are the appropriate instrument.

Financial assistance awards are supported by a unique statutory and regulatory infrastructure. One of the differences between the instruments allows the DOE to issue grants unilaterally – with acceptance demonstrated by the Recipient’s performance or an acknowledgement of Recipient acceptance.

Question: What is a “letter” grant?

Answer: A “letter” grant is a preliminary instrument that authorizes you, the Recipient, to begin your projects immediately. DOE has placed restrictions on eligible activities and on access to the funding but once we finalize mutually acceptable terms and conditions those restrictions will be rescinded.

Question: What if I want a final agreement before I start?

Answer: That is acceptable; just do not perform work under the award.

Question: If I start work now have I started my project schedule?

Answer: No. We will include a project start date in the negotiated agreement and adjust your schedule appropriately.

Question: When will the award be negotiated?

Answer: The governing regulations call for the award to be definitive within 120 calendar days. Working through your assigned teams, it is DOE’s intent to negotiate these awards in significantly less time.