

**How do I tell the difference between a Subaward agreement and a Contractor (Vendor)?
 Provided below is a table listing characteristics of each type of relationship:**

Subaward	Contractor (Vendor)
Subrecipient collaboration are uniquely designed in response to each project, and not provided commercially.	Contractor provides the goods or services within normal business operation and to many different purchasers
Subrecipient technical lead is usually a scientific collaborator, or even a co-PI on the UCLA project.	Contractor operates in a competitive environment.
Subrecipient retains rights to intellectual property.	Contractor retains no rights to intellectual property.
Subrecipient participates in development and execution of statement of work.	Contractor provides the goods or services ancillary to the operation of the federal program.
Subrecipient results are likely to be published in the scientific literature and/or Subrecipient is likely to be a co-author on a UCLA publication.	

Subaward agreement versus a Contractor (Vendor) – What rules and restrictions apply?

Subaward	Contractor (Vendor)
Usually requires prior approval of the sponsor, if not originally included in proposal (depends on the T& C's of the prime award).	Generally does not require prior approval of the sponsor, subject to rebudgeting restrictions imposed on the particular category of cost.
Indirect costs are assessed only on the first \$25,000 of each approved funding cycle.	Indirect costs are assessed on entire amount.
Is exempt from sole-source justification or open-bid requirements (unless issued under a federal contract).	Is subject to sole-source documentation or open-bid requirements.
Is subject to federal subrecipient monitoring requirements.	Is not subject to federal subrecipient monitoring requirements.

Subaward Determination Questions:

Does the entity's statement of work represent an intellectually, scholarly significant portion of the programmatic effort of the overall project?

Will they contribute substantively to scientific conduct project and be responsible for making programmatic decisions?

Is there an identified principal investigator for the entity? Is he or she a co-investigator on the primary proposal?

Could the entity's work result in intellectual property development?

Are publications anticipated from the entity? Will the individuals at the entity be co-authors on articles?

Will the entity need animal and/or human subject approval for its portion of the work?

Will they have responsibility for adherence to applicable Federal program compliance?

Procurement action maybe appropriate when the entity:

Provides the same services and goods to others within normal business operations (e.g. Entity regularly sells the goods or services as a part of their routine business operations.)

Provides similar goods and services to many different purchasers.

Operates in a competitive environment for the provisioning of goods or services to be procured.

Is to perform a series of repetitive tests or activities requiring little or no discretionary judgment (e.g. Entity performs a test on data we provide to them and gives us the results to analyze.)

Is not subject to the compliance requirements of the Sponsor.

Not all of the characteristics need to be or will be present to determine whether the organization is a contractor (vendor) or subrecipient. You should use your best judgment in making the determination.