

“Grantees and Contractors are hereinafter referred to as Contractor.”

The Nutrition Education and Obesity Prevention Branch (NEOPB) allows the Contractors to enter into subcontracts, consultant agreements, and/or mini-grants, hereinafter referred to as “subcontract” in order to provide nutrition education and physical activity promotion to Supplemental Nutrition Assistance Program Education (SNAP-Ed) eligible families outlined in the Project Synopsis (PS), program deliverables and NEOPB Agreement. Contractors intending to utilize subcontracts to meet the deliverables in their contract must comply with the requirements outlined in this section.

### **900.1 Requirements**

- A. USDA requires all Contractors obtain prior written approval for all subcontracts in the Budget Justification (BJ) prior to being reimbursed for any subcontract for services costing \$5,000 or more. When securing subcontracts for services costing \$5,000 or more, the Contractor shall provide the competitive bid process used.
- B. Subcontracts performed by the following entities or for the service type listed below are exempt from the competitive bidding process and sole source justification requirements:
1. A local governmental entity or the federal government,
  2. A State college or university from any State,
  3. A Joint Powers Authority,
  4. An auxiliary organization of a California State University or a community college,
  5. A foundation organized to support the Board of Governors of a California Community College,
  6. An auxiliary organization to Student Aid Commission established under Education Code 69522,
  7. Entities of any type that will provide subvention aid or direct services to the public,
  8. Entities and/or service types identified as exempt from advertising in the State Contracting Manual 5.80. Review this publication at the following address:  
<http://www.ols.dgs.ca.gov/Contract+Manual/Chapters4through6.htm>
- C. NEOPB reserves the right to approve or disapprove the selection of a subcontractor with advance written notice, the substitution of subcontractor and the Contractor terminating a subcontract entered into in support of their Contract.
1. Upon receipt of written notice from the NEOPB requiring substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by the NEOPB.

2. The subcontract must include the following:

- a) Identify all parties.
- b) Term of the agreement (start and end date).
- c) Maximum amount payable.
- d) Scope of Work.
- e) Budget Detail.
- f) Termination Clause.
- g) Record Retention Clause:

“To permit the NEOPB representative or any duly authorized State or USDA representative, to have access to, examine or audit any pertinent books, documents, papers and fiscal records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records.

(Subcontractor Name) agrees to maintain and preserve files relevant to agreement, until three (3) years after termination of (agreement number) and final payment from the NEOPB to the Contractor unless a longer record retention period is stipulated. In view of the need for contract records for present and possible future review, audits, litigation, etc., the Attorney General’s office has requested that contract records be retained for a period of seven (7) years either from the closeout date or the payment date on the last invoice, whichever is earlier.”

- h) Incorporate the links to the following documents:
  1. Fiscal and Administrative Guidelines Manual and any revisions thereto.  
<http://www.cdph.ca.gov/programs/cpns/Pages/FiscalandAdministrativeGuidelinesManual.aspx>
  2. NEOPB Program Letters and any revisions thereto.  
<http://www.cdph.ca.gov/programs/cpns/Pages/ProgramLetters.aspx>
  3. United States Department of Agriculture, Supplemental Nutrition Assistance Program Education (SNAP-Ed) Plan Guidance.  
<http://snap.nal.usda.gov/national-snap-ed/snap-ed-plan-guidance-and-templates>

3. NEOPB strongly recommends submitting a copy of the complete draft subcontract with all the required information to the Contract Manager (CM) and Project Officer (PO) for pre-review of content prior to officially using the subcontract.
4. The CM and PO will review and approve the proposed ***draft*** subcontract for compliance with the United States Department of Agriculture (USDA) Guidance and State Guidelines (SCM Vol. 1, Ch. 2.02). The CM will send a written notification that your agency is pre-approved/disapproved to either proceed with finalizing your subcontract or make changes and resubmit for additional review and preapproval.
5. Upon execution of any subcontract, the Contractors are required to submit a copy of the fully executed subcontract with all exhibits/attachments to the assigned CM and PO for final review and approval. Once the subcontract has been approved, you will receive an official approval from your CM. Please print

and retain a copy of the email approval on file with your subcontract for compliance review/audit purposes.

- D. The executed subcontract must to be submitted to NEOPB for approval and the contractor must receive written confirmation of the approval prior to invoicing any expenditure for the subcontract. If an invoice is received with subcontract expenses prior to NEOPB approval of the subcontract, the expense may be disallowed from the invoice or the invoice may be returned to the Contractor with an Invoice Dispute Notification until the subcontract has been submitted to NEOPB for review and approval.
- E. Unless otherwise stipulated in writing by NEOPB, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this contract.
- F. NEOPB assumes no responsibility for the payment of subcontracts used in the performance of their agreement. Contractors accept sole responsibility for the timely payment of subcontractors.
- G. The Contractor is responsible for all performance requirements under the prime contract and deliverables even though performance may be carried out through a subcontract.
- H. The Contractor is responsible for the purchasing and payment of all subcontractor equipment. Subcontractors are not allowed to purchase equipment directly.
- I. Any adjustment to a subcontractor budget or SOW must be resubmitted to your CM and PO for review and approval. Proposed changes may require a formal amendment to the primary contract. Please contact your CM and PO for specific information.