

The Nutrition Education and Obesity Prevention Branch (NEOPB) allows the Grantees to enter into subcontracts, consultant agreements, and/or mini-grants, hereafter referred to as "subcontract or subcontractor," 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. Grantees intending to utilize subcontracts to meet the deliverables in their grant must comply with the requirements outlined in this section.

900.1 Requirements

- A. USDA requires all Grantees to 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 Grantee shall obtain and provide to NEOPB at least three bids or justify a sole source award.
- B. Subcontracts performed by the following entities or for the service type listed below are exempt from the bidding 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. The NEOPB reserves the right to approve or disapprove the selection of a subcontractor with advance written notice, the substitution of subcontractor and the Grantee terminating a subcontract entered into in support of their Agreement.
1. Upon receipt of written notice from the NEOPB requiring substitution and/or termination of a subcontract, the Grantee 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 Grantee is responsible for submitting all required subcontracts with the following key components to the NEOPB for prior review and written approval:
 - a. Subcontract Checklist (Appendix 22).
 - b. Agreement Form (Appendix 23).

- c. Subcontractor Official Standard Subcontract Agreement between the prime Grantee and the subcontractor should include all information in D.1-7 and all additional exhibits/attachments (see E - K).
- d. Subcontract language must contain the following:
 - 1. Name of the parties entering into the agreement (Primary contractor/grantee and Subcontractor names (if known); List as "TBD" if subcontractor is not known yet.
 - 2. Term of the agreement.
 - 3. Brief description of services/scope of work.
 - 4. Basis for costs (e.g., hourly or daily rate, number of hours and/or days to perform the deliverable).
 - 5. Maximum amount payable (once agreed upon and approved in prime grant, the subcontract, consultant agreement, or mini-grant dollar amount cannot increase unless a formal amendment is done).
 - 6. Termination/Cancellation Clause (see language in Exhibit E below that addresses this requirement).
 - 7. Record Retention Clause.
- e. Exhibit A - Subcontract Application (includes the application checklist of all pertinent documents required).
- f. Exhibit A1 –Deliverables for Grant
- g. Exhibit B - Budget Detail (which include Prime grantees approved budget justification detail with completed subcontractor line item and subcontractor budget justification detail. See Budget Instructions Tab on how to complete budget).
- h. Exhibit – Standard Agreement Conditions
- i. Exhibit CCC-307 Certification
- j. Exhibit D – Federal Provisions
- k. Exhibit E - Additional Provisions (which includes the Additional Incorporated Provisions, Termination/Cancellation Clause, Travel and Per Diem Reimbursement, Conflict of Interest and Dispute Resolution Process).
- l. The Grantee agrees to include the following clause relevant to record retention, in all subcontracts for services:

“(Subcontractor Name) agrees to maintain and preserve files relevant to agreement, until three years after termination of (agreement number) and final payment from the NEOPB to the Grantee. 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.”

- 3. The NEOPB strongly recommends submitting a copy of the complete draft subcontract package with all the required information to the Contract Manager (CM) and Project Officer (PO) for review prior to use and seek approval during the USDA Plan Approval Process.
- 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. If you have not yet determined the actual subcontractor at

the time you submit the draft package for review, you will need to resend the package once that has been identified to verify the entity you are proposing to subcontract with and the selection process.

5. The CM will send a written notification that your agency is approved/disapproved to either proceed with finalizing your subcontract or make changes to the proposed package and resubmit for additional review and approval.
 6. Upon execution of any subcontract, the Grantees are required to submit a copy of the signed fully executed subcontract agreement package with all exhibits/attachments to the assigned CM and PO for official review and approval. Once the subcontract has been reviewed, you will receive an official written approval from your CM and PO. Please print and retain a copy of the email approval and keep it on file with your subcontract for compliance review/audit purposes. If invoices are received with subcontract line item expenses, prior to the fully executed subcontract being submitted to the NEOPB for review and approval, expenses on the invoice(s) will either be disallowed for the subcontractor line item costs or entire invoice may be returned to the contractor with an Invoice Dispute Notification until a copy of the subcontract agreement is submitted and has been reviewed and approved by NEOPB.
- D. Unless otherwise stipulated in writing by the NEOPB, the grantee shall be the subcontractor's sole point of contact for all matters related to performance and payment under this grant.
- E. The NEOPB assumes no responsibility for the payment of subcontracts used in the performance of their agreement. Grantees accept sole responsibility for the timely payment of subcontractors used in the performance of their agreement. Funds expended by a subcontractor prior to the grantee obtaining approval from NEOPB for the subcontract may not be reimbursable in the event that NEOPB should subsequently disapproves the proposed subcontract(s).
- F. The Grantee is responsible for all performance requirements under the prime grant and deliverables even though performance may be carried out through a subcontract.
- G. The Grantee shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
- H. The Grantee is responsible for the purchasing and payment of all subcontractor equipment. Subcontractors are not allowed to purchase equipment directly.
- I. Once the subcontracts have been reviewed and approved for the fiscal year, any proposed changes to a subcontractor consisting of budget changes, deliverable changes, and additions/deletions of any subcontract on the primary budget must be resubmitted to your CM and PO for review and approval. Proposed changes may require a formal amendment to the primary grant as well as to the subcontract. Please contact your CM and PO for specific information.