

Background

The MCH Branch allows agencies to enter into subcontract agreements for services outlined in the SOW. Subcontracts must include provisions requiring compliance with the terms and conditions, and requirements of the MCH AFA or AGA including FFP. (Please refer to these specific program requirements for details.)

Subcontract agreements must include, but are not limited to, these five key elements:

- Name of parties entering into agreement
- Term of the agreement
- Scope of services
- Maximum amount payable and
- Cancellation clause.

1.0 INSTRUCTIONS

1.1 Policy:

- 1.1.1 Agencies intending to utilize a subcontractor to meet the objectives in the MCH AFA or AGA SOW must comply with the following instructions in this section.
- 1.1.2 A subcontract must relate to only one prime agreement. Subcontracts cannot be co-mingled between existing MCH agreements.
- 1.1.3 Prior written approval from the MCH Branch is required to reimburse the Agency for subcontracts exceeding \$5,000.
- 1.1.4 Multiple agreements with a single subcontractor must be approved by the MCH Branch when the aggregate total exceeds \$5,000.
- 1.1.5 Funds expended by a subcontractor prior to the prime contractor obtaining MCH Branch written approval for the subcontract may not be reimbursable in the event the MCH Branch should subsequently disapprove the proposed subcontract.
- 1.1.6 Unless otherwise agreed to in writing by the MCH Branch, the Agency is the subcontractor's sole point of contact for all matters related to the performance and payment under the MCH AFA or AGA.

- 1.1.7 The Agency remains responsible for all requirements under the MCH AFA or AGA even though the requirements are carried out through a subcontract.
- 1.1.8 The maximum amount payable to the subcontractor must be specified in the subcontract and must be equal to or less than the amount of the specific MCH AFA or AGA.
- 1.1.9 The State is liable only for actual costs attributed to the numbered line items identified on the Budget Summary Page that are related to the SOW.

1.2 Requirements:

- 1.2.1 A brief (one page or less) explanation of the reason for subcontracting for specific activities or goods, and how the subcontractor was chosen, is required to be submitted with the Subcontract Package.
- 1.2.2 All Subcontract Agreement Packages must consist of the documents listed in the Procedure below:

1.3 Procedure:

- 1.3.1 All Subcontract Agreement Packages must consist of the following documents: Subcontract Approval Request Cover Letter
 - Subcontract Transmittal Form (see instructions in form section)
 - Subcontractor/Agency Agreement which must include the 5 key elements:
 - Name of parties entering into agreement
 - Scope of Services
 - Term of agreement
 - Maximum Amount Payable
 - Cancellation Clause
 - Proposed SOW - The State MCH SOW format is recommended, however, if the recommended format is not used an alternative format must contain the following:
 - Goals - Must be stated as in the State MCH SOW
 - Objectives - Must be stated as in the State MCH SOW, however, more detail and additional activities can also be added. Activities performed by the subcontractor must be specifically identified in the primary SOW.
 - Implementation Activities – Same instructions as for Objectives above.

**ADMINISTRATION
SUBCONTRACTS**

- Timelines – Do not have to be the same as stated in the MCH SOW however, the timelines must be within the term of the primary SOW.
- Budget-All Subcontract budgets must be submitted for MCH review and approval on the correct MCH Budget/Invoice file.
- Detailed Budget Justification Narrative