

RURAL DEVELOPMENT PROJECT POLICIES AND PROCEDURES	Issued by: RDP Evaluator/Compliance Officer, Laura Maudsley	Policy No.: CON 004
		Effective Date: August 2009
<i>Contract for Services</i>	Approved by: RDP Statewide Director, Dan Regan	Revision No.: N/A
		Supersedes Policy: N/A

- I. **PURPOSE:** To provide RDP staff guidelines for the issuance of a Contract for Services.
- II. **STAFF RESPONSIBILITIES:** The RDP Statewide Director, Island Project Directors and RDP Statewide Office staff members assigned to specific projects are required to comply with this policy.
- III. **DEFINITIONS**
- A. **Contract for Services**—A Contract for Services is a legal agreement between RCUH, on behalf of the RDP, and a third-party organization *outside* of the University of Hawaii (UH) system in order to carry out a project or program.
- B. **Subaward**—An award of financial assistance/support made under an award by a recipient to an eligible subcontractor. A subaward is used when the originating award is a grant or cooperative agreement.
- C. **Subcontractor**—A subcontractor is an agency, program or contractor outside the UH system who agrees to provide training for the RDP through an RCUH Contract for Services.
- D. **Designated University Official (DUO)** means a University official delegated authority over the relevant operation from the Chancellor or chief administrative officer of the facility.
- E. **Purchase Order (PO)**—Procurement form to a vendor to request goods and services to be provided to the requisitioner. A vendor may be an individual or company or organization.
- F. **PO Change Form**—A form used to change information on the order after it has been approved. It is also used to cancel an order. The changes may increase or reduce the encumbrance. A PO change form is used when a Contract for Services is amended.
- G. **Purchase Requisition**—A PO document in the development and approval process.

IV. GUIDELINES

The programmatic details of the Contract for Services are developed with input from both the RDP and the Subcontractor whose services are being contracted. The budgetary needs of the program and contract must be established during this phase.

Consideration should be given to any additional reporting requirements this particular Contract for Services may need and the method of payment for procurement of materials and supplies, equipment, travel, licenses and personnel.

V. COMPONENTS

- A. RCUH Purchase Order
- B. Certification Regarding Debarment, Suspension, Proposed Debarment and Other Responsibility Matters (Attachment 1)
- C. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Attachment 2)
- D. Project budget (Attachment 3)
- E. RCUH/UH Contract—generated through RCUH Purchase Requisition process, as seen below under “VII.—Procedure.”
- F. RCUH [Form 32a](#)—Terms and Conditions Applicable to Contracts/Subcontracts/Purchase Orders (under Federal grants)
- G. RCUH [Form 32b](#)—Government Subcontract Provisions Incorporated in all Subcontracts/Purchase Orders (under Federal prime contracts)
- H. RCUH [Form 32c](#)—Federal Provisions Applicable When Subcontractor (Commercial Entity) is in Possession of Government Property (October 2008) **OR** [Form 32d](#) Federal Provisions Applicable When Subcontractor (Educational or Non-profit Organization) is in Possession of Government Property (October 2008)
- I. Program proposal *from the original grant proposal document*
- J. Statement of Work. This section will include:
 - i. Target Group to be Served
 - ii. Services to be Provided by the Subcontractor
 - iii. Services the RDP agrees to be Provided
 - iv. Reporting
 - v. Work Plan/Time Schedule/Deliverables. This is a table which includes Deliverables, Tasks, Start Dates and End Dates.
 - vi. Compensation and Payment Schedule
 - vii. Special Conditions
 - viii. Copy of DOL “Notification of Award/Obligation,” including all Special Conditions, Budget Information, Assurances and Certifications, Special Clauses and Conditions and Attachments [#1-Financial Status Report (SF269)].

VI. POLICY

- A. RDP utilizes the RCUH system to prepare a payment requisition which contains the entire amount budgeted for a project to be administered by a subcontractor through an RDP subaward. Subcontractors must adhere to all UH and RCUH requirements for subawards, as found on the RCUH website. Pertinent RCUH

policies and procedures for subcontracts and subawards can be found at [2.430 Subcontract Administration Procedures](#), [2.431 Subaward Administration Procedures](#) and [2.435 Subrecipient Requirements for FDP Subaward Agreements and Subawards](#).

- B. Tax Clearance.** If the subaward is \$25,000 or more, it will be the responsibility of the DUO to obtain a tax clearance prior to the execution of the subaward.
- C. Subrecipient Audit Requirements.** To comply with the federal requirement to monitor awards to subrecipients, the Subrecipient Audit Form (RCUH Form 37a) and the Federal Subrecipient Questionnaire (RCUH Form 37b), if applicable, will be required prior to execution of a subaward/subcontract agreement and issuance of the related purchase order. The purpose of these forms is to ensure compliance with the requirements of OMB Circular A-133. Both of these forms can be found at the RCUH website in the Policies and Procedures section, under [Attachments Index](#) in the Procurement section.

Form 37a shall be completed by all subrecipients/subcontractors. Form 37b is an additional questionnaire required to be completed by for-profit or foreign entities, which are exempt from the requirements of OMB Circular A-133. If they are exempt, both 37a and 37b need to be filled out and submitted by the subrecipient/subcontractor.

For **all** subcontracts, the required forms (37a/37b, if applicable) must be submitted by the DUO to the Office of Research Services (ORS), Compliance Section. If the contracted amount is \$25,000 or more, the subrecipient audit form (37a) and the questionnaire form (37b), if applicable, must also be submitted to the RCUH Procurement Office with the subaward/subcontract agreement.

VII. PROCEDURE

- A. Gather all project related documents, as taken from the grant proposal.**

B. RCUH Requisition Process

The Contract for Services is generated through the RCUH purchase order/requisition process, as described below.

- i. Click on “Purchasing” on the [RCUH homepage](#). Enter your username and password and select “Login.”
- ii. On the Purchasing Menu, click on “Create New Purchase Requisition” and then “OK.”
- iii. Enter the project account number and click on the “OK” button.
- iv. Search for the vendor by entering the name of the vendor and selecting “Search.” If the vendor is found in the Step 2 box, proceed to step “vii.”
- v. If the vendor is not found, the vendor will need to be added. Click on the “Add new vendor” link, and the Vendor Registration Form will be displayed. This form must be fully completed to add the vendor to the RCUH vendor directory. After completing all fields, click on “OK.”
- vi. Step 1—Once the vendor is in the purchasing system, return to the purchasing menu and select “Create a new Purchase Requisition” and

- then "OK." Enter the project account number and click "OK." Search for the vendor by entering the name of the vendor and selecting "Search."
- vii. Step 2—Select the vendor in the box.
 - viii. Step 3—Click on "Create Purchase Requisition" at. The electronic Purchase Requisition form will be displayed. The fields on the top of the form are pre-filled based on the project account number entered. Double-check the "FO Staff to Review P.O." field to ensure the correct Fiscal Officer name is listed.
 - ix. Step 4—The vendor name and address fields are pre-filled from information on the vendor record. The user may temporarily change the vendor address if different from the displayed address.
 - x. Step 5—The following fields are optional, and may not be relevant to the contract for services requisition: Ship Via, Delivery Required By, Discount Terms and Quotation Number. Complete the fields, "Direct Inquiries on this Order to:" and "Phone Number" with the appropriate contact information.
 - xi. Step 6—Enter the order information: Project #, Budget Category, Description, Quantity, Unit, Unit Price, Extension, Subtotal, Rate, Estimated Shipping, and TOTAL.
 - xii. Step 7—Check off the boxes/bubbles that apply to the Requisition. Line items B-C are reminders for the applicable attachment to be sent with the "order." Attachments 32c and 32d are required for Federal Contracts.
 - xiii. Step 8—Enter the Fiscal Officer's name. Click on the "Print Mode" button to view the PO in a printer-friendly version. Print document and submit to the Fiscal Officer for signature. After printing, click on the "Return to Edit Mode" link on the top right-hand corner of the screen to return to the PO face page.

C. Attach all supporting documentation.

D. Begin the signature process. The signing authority for the Subcontractor and the RDP Director would sign first, and then the documents would start the campus routing process.

E. Amendments to the Contract for Services. Whenever a project under a Contract for Services requires a change in scope of work, project goals or objectives, a change in the budget, a change in the period of performance, or other changes, an Amendment to the Contract must be initiated, and the original requisition for the program budget must be revised using the PO change form.

VIII. REFERENCES

29 CFR §§ 97.36, 97.37; Hawaii Revised Statute § 103D-102; University of Hawaii Administrative Procedure § A8.220 et. seq.