GRANT MANAGERS BROWN BAG

5110, 5197, 5198, 5890 – THE BASICS OF CONTRACTED SERVICES

SEPTEMBER 2026

BEHIND THE SCENES FOR TODAY'S TOPIC

- *Perkins*
- *Audit Requirements*
- *Accuracy*
- *Efficiency*



WHAT IS A CONTRACT?

In the context of a grant-funded project,

:



- A contract is a legal instrument by which a grantee conducts procurement transactions under a grant award.
- A contractor by definition is an entity that receives a contract.

GOODS VS. SERVICES

CONTRACTED GOODS

- Contracted goods generally means the specific goods identified in a contract between a seller and a buyer, which the parties agree shall be delivered, supplied, or otherwise transferred under that contract

CONTRACTED SERVICES

- Contracted services are services provided by an external party under a formal agreement, where the contractor performs specific tasks without becoming an employee of the hiring organization.

CONTRACTED SERVICES – 5000 OBJECT CODES

Object Codes	Definitions
5110 – Consultants	Misty's Definition: Contractors who consult Laurie's Definition: Individuals vs Organizations providing services
5197 – Grant / Contract Sub-Agreement	Restricted to Funder Approved Subrecipient Agreements with External Agencies
5198 – Professional Services	Misty's Definition: Contractors who provide services that require professional training Laurie's Definition: Organizations that provide services
5890 – Other Services	Misty's Definition: Contractors who provide services that do not require professional training

DISCUSSION

- What's your definition?

- Does it matter?

CONTRACT REQUIREMENTS

These items shall be included in all contracts for services:

- Description of the Services to be Provided
- Timeline/Service Duration
- Cost of the Services and Payment Terms
- Overview of Special Considerations or Requirements (If Applicable)
- Reporting or Oversight Parameters
  - Benchmarks

BE SPECIFIC

"I always wanted to be somebody, but now I realize I should have been more specific."

— Lily Tomlin

BEFORE YOU SUBMIT A PURCHASE REQUISITION

Required Steps	Assistive Resources & Tools
Step One: Identify the services you need to purchase?	1) Grant Application a. Work Plan b. Activities c. Outputs 2) Needs/Concerns of Target Population 3) Review of Outcome Data 4) Conversation with Grant Team Members, including External Partners

BEFORE YOU SUBMIT A PURCHASE REQUISITION

Required Steps	Assistive Resources & Tools
Step Two: Identify the Procurement Method	1) Micro-Purchase a. Less than $10,000
	2) Small Purchase a. More than $10,000 but less than the Simplified Acquisition Threshold
	3) Simplified Acquisition Purchase a. More than $119,000
	4) Non-Competitive Purchase: a. Services available from only one source, such as a project partner

BEFORE YOU SUBMIT A PURCHASE REQUISITION

Required Steps	Assistive Resources & Tools
Step Three: Follow the Process for the Selected Procurement Process	Micro-Purchase: Complete the Professional Services Agreement Form, including Attachment A/Exhibit 1: Scope of Work
	Small Purchase: Obtain a minimum of three quotes from appropriate vendors
	Simplified Acquisition Purchase: Work with RCCD's Purchasing Office to complete the Purchasing process, including bid development and outreach, vendor recruitment, and bid selection
	Non-Competitive Purchase: Complete the Non-Competitive Purchase Form and consult with Purchasing

DISCUSSION

- How do you find vendors?

- Where are these forms?
  - Professional Services Agreement (Micro Purchase)
  - Non-Competitive Purchase Form

BEFORE YOU SUBMIT A PURCHASE REQUISITION

Required Steps	Assistive Resources & Tools
Step Four: Do a price analysis	In general, the lowest price is the preferred option. However, other factors may be considered, such as: • Prior experience with the Contractor • Contractor good standing, including debarment status • Contractor history and experience providing services

DISCUSSION

- What other factors do you use to select a vendor?

FOR CONSIDERATION

- Conflict of Interest
- Payment Terms
- Contract Monitoring



WHAT IS A CONFLICT OF INTEREST?

- In general, a conflict of interest exists when someone in a position of trust has competing professional or personal interests that would either make it difficult to fulfill his or her duties fairly or would create an appearance of impropriety that could undermine public confidence.

Defining an Interest

- Business Relationship with the Contractor, a Contractor's Partner, or Contractor's Competitor
- Financial Relationship with the Contractor or a Partner by which there may be a tangible personal benefit
- Fiduciary Relationship with the Contractor or the Contractor's Competitor
- Personal Relationship with an individual who has a business, financial, or fiduciary relationship

PAYMENT TERMS

How will you reimburse the Contractor for Services Rendered?

- Fixed Price – one price regardless of effort, often paid in intervals
- Cost Reimbursement for Time, Supplies, Travel, and other Relevant Costs
- Will Profit be included?

RCCD Policy

1) All Contractors shall submit an invoice to receive payment for services rendered.
2) The Invoice shall include the Purchase Order Number.
3) Invoice shall include supporting documentation as appropriate

CONTRACT MONITORING

- Project Director is responsible for monitoring the contract
- Contract agreement shall outline monitoring activities and requirements

<u>Potential Monitoring Activities</u>

- Identification of Performance Benchmarks
- Regular Reports
- On-Site Check-Ins

DISCUSSION

- How do you monitor your service contracts?

QUESTIONS???