

Developing Subcontracts

FY 2017

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When do I need a subcontract?

- Does every ICAPP contract require a subcontract?
- What is the purpose of the DHS service contract versus the subcontract?
 - DHS contract outlines agreement between DHS and the council
 - Subcontract outlines agreement between council and the person/agency completing the work



Why is this important?

A subcontract should clarify expectations and benefit both the council and the subcontractor



Why is this important?

Benefits for the council-

- Written record of the division of duties related to contract*
- Clear communication in the event of leadership or key staff transitions*
- Helps to ensure the necessary services are provided and all contract requirements are met*



Why is this important?

Benefits for the Subcontractor:

- Ensure clear communication of expectations and responsibilities*
- May help ensure payments are timely*
- Is helpful in times of transition*



What should be in the subcontract?

The subcontract should outline the agreement between council (legal entity) and the organization or person completing work.

The subcontract should include (but not be limited to)

- Which party is responsible for completion of tasks (where are records housed, who submits reports, who submits invoices)*
- Who is responsible for notifications*
- Point person for both services and billing (contract manager, council representative)*
- Any deadlines (ie-billing, payment, reporting, etc)*
- Any compliance related details (must maintain licensure/certification, etc.)*
- Other training (ie-will Council/Subcontractor be responsible for obtaining information from Program Administrator regarding contractual compliance? Billing/reporting requirements? Regional Meetings?)*



What should be in the subcontract?

Many of the details of the contract are already in the proposal/contract/attachments.

There is no need to restate all the same information-subcontracts can reference “services provided as outlined in ACFS 16-999”

The entities should be “legal entities” or individuals. If the council contracts through a third party as the “council” isn’t registered with the Iowa Secretary of State, the third party (contract holder) should be listed as contractor on the subcontract (not the non-legal entity)



What should be in the subcontract?

Other important information to include:

- *Dates effective (Contracts are not effective until both parties sign)*
- *Important correspondence information (electronic and us mail, phone/fax numbers)*
- *Other communication information- (ie- If specific information should be emailed, sent us mail, etc.)*



What should be in the subcontract?

Other information that may be included:

- *May be beneficial to mention subcontract is reliant up on receiving funding from IDHS*
- *Early termination clause (if/when the contract could be terminated such as in the case of mutual agreement of term and what type of notice would be given?)*
- *Conditions under which the contract terms can be changed (ie-licensing change, both parties must authorize in writing)*
- *Indemnification*
- *Problem reporting*



Questions???

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