

Nutrition Services Department of State Health Services

Effective January 1, 2011

Policy No. AC:15.0

Allowable Costs – Non-Professional Contract Services

Purpose

To ensure compliance with the OMB Circular A-87 revised stipulation that non-professional contract services require approval from the grantor agency.

Authority

7 CFR Part 3016; OMB Circular A-87

Policy

Local agencies (LAs) may request reimbursement for the cost of non-professional contract services necessary to support WIC Program activities.

Definition

Non-Professional Contract Services are defined as services rendered by individuals or organizations not a part of the grantee agency (LA). "Non-professional contract services" include but are not limited to such services as janitorial, exterminating, security, lab work, laundry, maintenance agreements, outside printing, translators, equipment repair, leasing of equipment, plumbing, carpentry, glass repair, etc.

Procedures

- I. The LA shall obtain three written competitive bids for services in excess of \$5,000. Total contract amount shall be considered when determining dollar limits. (Note: Three bids shall be obtained if there is any possibility that the cost of the contract may exceed \$5,000.)
- II. Non-professional contract services in excess of \$5,000 require state agency (SA) approval. The written request to the state agency (SA) shall include:
 - A. type of service;

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- B. statement that documentation of three bids is available and selection made based on best value;
 - C. total amount of low bid received;
 - D. contract period starting and ending dates;
 - E. allocation method and percentage to be charged if the costs are prorated to WIC;
 - F. brief explanation of services and justification of need; and
 - G. an assurance that the procurement process is in compliance with Uniform Grants Management Standards (UGMS) and WIC policies.
- III. Approval is required for each contract that exceeds a total cost of \$5,000. Material increases in contract rates require new bids at the renewal of the contract period.
- IV. The SA shall approve or disapprove the request in writing.
- V. Documentation shall support the allocation among Administration, Nutrition Education, and Breastfeeding.
- VI. Finance or interest charges associated with equipment leases are not allowable costs.
- VII. Non-professional contract services \$5000 or less shall be supported by documentation such as vendor invoices, canceled checks, and contracts (if applicable).