

<p style="text-align: center;"><b>Nutrition Services</b> <b>Department of State Health Services</b></p>
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Effective January 1, 2008

Policy No. AC:16.0

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**Allowable Costs – Professional Contract Services**

**Purpose**

To ensure compliance with OMB Circular A-87 revised stipulation that 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 professional contract services.

**Definition**

Professional Contract Services are services rendered by individuals or organizations not a part of the grantee agency (LA) who are licensed, certified, registered or otherwise authorized under state law to provide the specified service. Professional services include but are not limited to services provided by registered dietitians, nutrition consultants, breastfeeding consultants, nurses or doctors on contract basis, engineers, architects and certified public accountants.

**Procedures**

- I. The LA shall release a Request for Proposal (RFP) or advertise for services regardless of cost.
- II. The LA shall evaluate the RFP or advertisement responses to determine:
  - A. demonstrated competence and qualifications for the type of services to be performed; and

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- B. if the fees to be charged are fair, reasonable, and consistent with and not higher than the usual and customary fees for the services to be performed.
  
- III. Low bid shall be secured. Any proposed exception to this procedure shall be documented and submitted to the state agency (SA) for approval prior to the LA procuring professional contract services.
  
- IV. Professional contract services require SA approval regardless of cost. The written request shall include:
  - A. type of service required;
  - B. documentation of solicitation notice (i.e., RFP, newspaper advertisement);
  - C. total amount of low bid contract, cost per hour or other reimbursement method;
  - D. contract period or service dates; and
  - E. brief explanation of services and justification of need.
  
- V. The SA shall approve or disapprove the request in writing.
  
- VI. Documentation such as vendor invoices, canceled checks, RFP's, or copies of newspaper advertisement and SA written approval shall support professional contract services.
  
- VII. Documentation shall support the allocation among Administration, Nutrition Education, and Breastfeeding.