

Subcontractor Policy for Health and Human Services (HHS) Contracts

The following information applies to HHS contracts, also known in PASSPort as Human/Client Service contracts. For the purposes of this document, "Provider" refers to the entity that is party to an HHS contract with the City. For additional guidance on subcontracting, please refer to your Agency's Fiscal Manual.

Subcontractor Approval Process for HHS Contracts

If a Provider proposes to engage a subcontractor on a human services contract, the City requires:

1. Subcontractor to have an account in the City's Payee Information Portal (PIP) and in PASSPort, and
2. Provider must identify subcontractor through the contract process, including budgeting and invoicing. For contracts that the Agency manages through PASSPort, subcontractor shall complete the PASSPort Vendor Enrollment process and have a "Filed" status. Provider shall identify subcontractor in the "Subcontractor" tab of the contract and in the fiscal year budget under item category "OTPS: Contract Services: Sub-Contractors."

For any subcontractor of more than \$20,000*, the City also requires:

1. Subcontractor to submit an HHS Prequalification Application in PASSPort and have an "Approved" application status.
2. Provider to share the subcontract agreement with the Agency.** For contracts that the Agency manages through PASSPort, Provider shall upload and attach agreement to the Subcontractor tab of the contract during the subcontractor approval or modification process and/or to the fiscal year budget, as advised by the Agency.

Subcontractors are approved for work on a human services contract when the Agency approves the subcontractor in PASSPort or in written communication with the Provider. The Provider should not engage a subcontractor until the Agency has approved that subcontractor. The Provider is responsible for recording all payments to subcontractors; for contracts that the Agency manages through PASSPort, Provider shall record payments in the Subcontractor tab of the contract.

Additional requirements apply to subcontracting for City Council discretionary award contracts.

*For determining the value of a subcontract, all subcontracts with the same subcontractor shall be aggregated.

**The Agency may require Provider to share subcontract agreements for subcontractors of \$20,000 or less.

Subcontractor Agreement Template for HHS Contracts

The City offers a standard subcontract agreement template for human services contracts that Provider may use, but is not required to use.

Definitions for Subcontractor, Consultant, and Vendor for HHS Contracts

- A **subcontractor** hired on a health and human services contract is hired to perform or directly deliver a part of the prime contractor's programmatic contractual obligations.
- A **consultant** hired on a health and human services contract is often a subject matter expert and does not perform or directly deliver a part of the prime contractor's programmatic contractual obligations.
- A **vendor** hired on a health and human services contract provides non-programmatic services or goods.

Subcontractors, consultants, and vendors may be corporations, nonprofit organizations, or individuals.

The City requires subcontractors to be registered in PIP, but does not require PIP registration by consultants or vendors.

Definitions should be applied by looking at the language of the contract obligations.