



California Department of Food and Agriculture
Office of Grants Administration

2017 Specialty Crop Block Grant Program Contractual Services





Use of Contractor/Consultant

- Services that cannot be provided by staff employed by the organization.
- Generally short-term and provide a specific and identifiable product or service.
- Applicants must ensure their contractors/consultants comply with applicable federal regulations and requirements.
- Applicant retains overall responsibility for management of the project.
- Applicant must reserve sufficient rights and control to enable it to fulfill its responsibilities for the project.



Procurement Policy

- At minimum, applicants must establish and follow a documented procurement policy
 - which conforms to applicable federal law and,
 - reflects applicable state, local, and tribal laws and regulations.
- Reference [2 CFR 200.318](#) for additional information on general procurement standards.



Procurement Methods

- 2 CFR 200.320 for a complete list of procurement methods.
- Micro-purchase:
 - Purchases of supplies or services at or below the micro-purchase threshold (currently \$3,000).
 - May be done without soliciting competitive bids.
 - Applicant must believe the cost to be reasonable.



Procurement Methods (cont.)

- Small Purchase Procedures:
 - Relatively simple and informal procurement methods may be used for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold (currently \$150,000).
 - If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.



Procurement Methods (cont.)

- Noncompetitive Proposal:
 - Aka single source bidding.
 - This is appropriate in very limited circumstances as described in [2 CFR 200.320 \(f\)](#).
 - It *requires prior approval* from CDFA.
 - If awarded funds, applicants that anticipate this procurement method will be necessary should *contact* their assigned *grant analyst* **before** beginning the process.



Procurement Methods (cont.)

- Regardless of the procurement method selected, applicants are required to:
 - Conduct a cost or price analysis, including developing an estimate prior to soliciting bids, for any procurements in excess of the Simplified Acquisition Threshold.



Compensation for Contractors

- Compensation for contractual services generally falls in to one of three types:
 - Salaries and Wages
 - Fees for Professional Services
 - Flat Rate



Compensation for Contractors

- Salaries and Wages:
 - Costs are based on the actual salary or hourly wage for the persons performing work under the contract.
 - In addition to actual salaries, contracts may include charges for fringe benefits, supplies, travel, other costs and indirect costs.
 - In contracts that utilize this method a justification must be provided and prior approval must be obtained from CDFA for salaries/wages that exceed the [General Schedule](#) Grade 15 Step 10 (GS 15 Step 10) for the locality in which work will occur.



Compensation for Contractors

- Fees for Professional Services:
 - An hourly rate is paid for services provided.
 - The rate does not necessarily reflect the actual salary of the person performing the contracted work.
 - Is typically **inclusive** of salary, fringe benefits and overhead costs associated with the service provided.
 - Justification must be provided and prior approval must be obtained from CDFA for rates exceeding the GS 15 Step 10 for the locality in which work will occur.
 - The inclusion of costs within a fee for professional services that would otherwise be unallowable is prohibited.



Compensation for Contractors

- Flat-Rate:
 - A pre-determined rate is paid for services provided, rather than payment based on hours worked.
 - The applicant must provide a justification for the flat-rate fee and demonstrate the rate is reasonable and consistent with fees in the marketplace for similar services.
 - Flat-rate contracts also require prior approval from CDFA and USDA.
 - The inclusion of costs within a flat-rate fee that would otherwise be unallowable is prohibited.



Documentation

- Applicants will be audited by CDFA.
- Copy of Procurement Policy is required.
- Records that show:
 - The applicant followed the terms of the Procurement Policy.
 - Conform to cost principles.

Questions

