

X – X AAA Contracts and Grant Agreements with Service Providers

Standard Name	AAA Contracts and Grant Agreements with Service Providers
Standard Number	X-X
Authority Reference	Minnesota Office of Grants Management Policies 08-04 & 08-12 45 CFR 1321.59(d) & 1321.71(e) 2 CFR 200 Subpart D
Operating Category	Grants and Contracts Management
Intent of Standard	To ensure AAAs have established contracts and/or grant agreements that conform to state requirements
Statement of Standard	XX
History	

Policy

1. Each AAA must enter into contracts and/or grant agreements with service providers in order to ensure the provision of Title III-funded services within its PSA. Service providers may be regional or local public entities, nonprofit agencies, or for-profit organizations.
 - A. Grant agreements and contracts with a for-profit organization are subject to prior approval of the MBA. To enter into a grant or contract with a for-profit organization, the AAA must allow sufficient time for a review of the grant agreement or contract by the Program Operations Committee and vote of the full MBA. This typically occurs during the annual Area Plan review and approval process.
2. The contract or grant agreement must, with narrow exceptions, be awarded after a competitive procurement process has been conducted consistent with Policy XX [the Procurement Policy].
3. Contracts and grant agreements must be fully executed prior to when service providers begin to provide services and/or prior to when the AAA may make an advance payment to the service provider.
4. Contracts and grant agreements must only fund activities that are approved as part of the Area Plan approval process or a subsequent review/approval process conducted by the MBA.
5. Consistent with federal requirements, AAAs may not delegate authority for service providers to enter into subcontracts with other organizations that will also provide direct services to recipients of OAA-

funded services. Each service provider must enter into its own contract or grant agreement with the AAA.

A. Service providers may enter into subcontracts with other organizations using Title III funds for purchasing food, commodities, supplies, equipment, or other activities necessary to provide services.

6. AAAs may use either a contract or grant agreement as a vehicle for creating an agreement with a service provider to provide services. Either type of agreement is subject to the same monitoring requirements.

7. The grant or contract agreement must conform to the following requirements:

A. Cite the AAA's authority to enter into contracts or grant agreements and the Older Americans Act.

B. Specify the scope and timeline for the work, the grantee's or contractor's duties in carrying out the grant or contract, and details about the disbursement of grant payments or payment for services provided according to contractual terms.

C. Contain standard contract language and assurances, including clauses regarding liability, data practices and intellectual property, contracting and bidding requirements that include use of targeted vendors, Worker's Compensation, and provisions concerning federal funds as applicable.

D. As applicable, per Minnesota Statutes, section 16B.981 and OGM Policy 08-06, include additional conditions or requirements such as a risk mitigation plan or implementation of other internal controls to protect the interests of the State and federal government.

E. Incorporate requirements such as work plan and budget into the contract or grant agreement by reference and as an addendum so that a grantee or contractor can easily locate and understand the information.

F. Include the name and phone number of the AAA's and grantee's or contractor's Authorized Representative and, if appropriate, project manager.

8. Changes to fully executed grant agreements or contracts must be made through amendments. An amendment is an addition, deletion, or change to a fully executed contract or grant agreement.

A. When a modification to a contract or grant agreement results in a change to the total obligation, compensation, expiration date, or duties associated with the agreement, those changes must be made through an amendment.

i. Extensions of an existing contract or grant agreement from one year of an Area Plan cycle to a subsequent year are informally referred to as "renewals" and must be processed as an amendment.

B. Contracts or grant agreements may be amended only when the purpose of the amendment is similar to the original purpose and when the contractor or grantee duties are within the scope of the original request for proposal, notice of grant opportunity, or grant application.

C. Contract and grant agreement attachments, exhibits, and approved grant application materials with corresponding grant award notices may also be revised as part of a contract or grant agreement amendment.

D. Successor Agencies and Changes in Ownership

i. When a contractor/grantee agency/organization changes its name, but doesn't change ownership, the new agency/organization is a successor agency. The AAA must amend any contracts or grant agreements with that entity to reflect the change.

ii. When a contractor/grantee agency/organization changes ownership and has a new or different governing body, the new agency/organization is a different entity. The AAA must terminate the existing contract and execute a contract or grant agreement to the new agency. If the new entity is a for-profit entity, the AAA must seek approval from the MBA.

9. A contract or grant agreement, plus any amendments to it, must not exceed five years.

Procedures

1. AAAs must identify the service providers with which they intend to enter into grant agreements or contracts, the services they will provide, and a budget including these services as part of the Area Plan development and submission process. The MBA will issue annual Area Plan instructions and provide additional detail in that guidance.

2. If a AAA wishes to enter into a grant agreement or a contract with a for-profit entity, the AAA must identify the organization as such in its proposed Area Plan.

3. When the MBA's Program Operations Committee (POC) reviews whether an AAA may proceed in entering into a grant agreement or contract with a for-profit entity, the POC will consider the following:

A. Whether the unit cost or cost to the AAA reflects only allowable direct and indirect cost as defined in 45 CFR Part 75, Subpart E.

B. Whether its terms require audits of the for-profit entity using standards found in 45 CFR Part 75, Subpart F.

C. Whether the for-profit entity will follow all provisions of 45 CFR 75.215 and the Older Americans Act, Sections 306 (a)(13) and 212.

4. Following review and approval of the AAA's Area Plan and negotiation of any final issues, the MBA and AAA will enter into a grant agreement between the MBA and the AAA. The MBA will make every reasonable effort to have this agreement fully executed by December 15 of each year.

A. If a grant agreement is not in place by this timeframe, AAAs may proceed with negotiating and executing agreements based on language that makes the execution of agreements between service providers and AAAs contingent on an executed agreement between MBA and AAAs.

Commented [KBI]: MBA is exploring whether this is feasible as a back up plan.

5. After the execution of the grant agreement between the MBA and the AAA, the AAA may execute its contracts and grant agreements with service providers. Pending action from the MBA to have agreements with AAAs fully executed, AAAs will make every reasonable effort to have grant agreements or contracts fully executed with service providers by January 1.

A. Direct service grant agreements and contracts normally begin on January 1 for a maximum period of 12 months. Grant agreements and contracts may be extended or renewed for up to one-year increments for a total of five years.

B. Direct service grant agreements and contracts not beginning January 1 must, in any case, end no later than December 31. Renewals of grant agreements and contracts normally begin on January 1.

6. Contracts and grant agreements, as well as amendments to contracts and grant agreements, including attachments and exhibits related to work plans and budgets, must be uploaded into Grant Utility within 14 days of when they are executed. MBA uses these documents as a reference source to evaluate payment requests and will not issue either an advance payment or reimbursement without having access to the contract or grant agreement.