

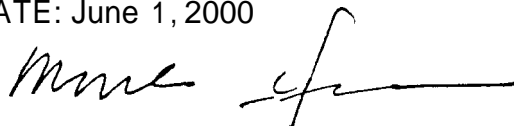
SUBJECT: PERSONNEL SERVICE AGREEMENT
ADMINISTRATIVE FEES

POLICY NO. 507

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- PURPOSE:** To establish guidelines and procedures to ensure personnel services agreements include reasonable administrative fees.
- SCOPE:** Public Health has overall processing, coordinating, reporting and monitoring responsibility for DHS grant funded projects. Public Health policy and procedures for grant funded projects are to be followed by all departmental budget units. Departmental budget units are each required to determine the corresponding sections to perform grant maintenance support responsibility as described below.
- DEFINITIONS:**
- Senior Staff Member
Management level reporting to the Director, Department of Health Services
- Operating Expenses/Services and Supplies
This budget category may include rent/leases, supplies, travel, training, subcontracts, consultants, furniture, etc.
- Composite Rate
A composite rate shall consist of an administrative fee based on the entire contract amount.
- GUIDELINES:** The Department of Health Services (DHS) must make purchases through the County process whenever feasible.
- When a personnel services agreement includes Operating Expenses/Services and Supplies, and Equipment, the contractor will be required to comply with County policies and guidelines. These guidelines will be provided to contractors immediately upon execution of the contract.
- When competitively bidding for personnel services agreements, DHS and OAPP will ensure that both composite and two-part administrative bids are requested.
- The two-part bid shall consist of:
- a. An administrative fee for personnel services which includes all costs associated with that service, such as all legally required compensation, wages, withholding, employee benefits, etc.

EFFECTIVE DATE: June 1, 2000

APPROVED:



SUPERSEDES:

PAGE 1 OF 2

- b. An administrative fee for Operating Expenses/Services and Supplies, and/or the management of subcontracts: which includes all costs associated with those services.

Personnel Services Agreements shall be rebid every three years.

PROCEDURE:

1. The Program Director shall:
 - A. In accordance with PH Policy No. 502, "Contracting Criteria and Assessment Processes for Personnel Service Agencies," identify a need for a personnel services agreement and ensure the request complies with departmental criteria.
 - B. Determine whether there is a need to include Operating Expenses/Services and Supplies, Equipment, and/or subcontracts in the personnel services agreement budget and verify funding availability.
 - C. Obtain approval from the Senior Staff Member to proceed with a competitive process.
 - D. If appropriate, submit the approved request for a competitive bidding process to the appropriate section (DHS Contracts and Grants Division (C&G), or OAPP Policy and Planning (OAPP) Section.
2. The Section Head, (C&G/ OAPP) shall prepare the request for proposals, to include a requirement that proposers submit both a composite and two-part bid for administrative costs.
3. The submitting agency shall:
 - A. Submit a composite administrative fee bid
 - B. Submit a second bid which provides two separate rates, one of personnel services and the second for Operating Expenses/Services and Supplies (including furniture), and/or subcontract management.
4. The appropriate Contracts and Grants Section shall include the selected rate(s) in the personnel services agreement

CROSS REFERENCE TABLE

<u>PH</u>	<u>OAPP</u>	<u>PHS/HSA/OMC</u>
Program Manager	Contract Manager	(To be designated)
Program Office	Contracts & Grants	(To be designated)
Grant Monitoring Section	Finance	(To be designated)
DHS Contracts and Grants Division	Contracts & Grants	DHS Contracts and Grants Division
PH Finance Section	Finance	(To be designated)