

Subcontract Agreement Template

This document is a template that nonprofit contractors may use to develop subcontract agreements with partner organizations. This document does not represent legal advice, and contractors and their subcontractors should consult the advice of their own counsel before entering into any agreement. Edit this document to align to program and grantor requirements.

SUBCONTRACT PERFORMANCE AGREEMENT

Between

Lead Contractor

and

Subcontractor

I. RECITAL

Use this section to indicate the names and roles of both parties and the general purpose of the agreement.

II. DEFINITIONS

Use this section to provide definitions for any key terminology or program names used in the agreement.

III. TERMS AND CONDITIONS

A. Term of Subcontract Performance Agreement

Use this section to provide the start date and end date of the agreement.

B. Scope of Services

- Describe the programming to be delivered through the agreement.
- Indicate the location and time of services, if applicable.

C. Collaboration Principles

Use this section to describe any areas where the prime contractor and subcontractor will work together to deliver services under the agreement. For example:

- Work collaboratively to maintain structure of project, including enrollment and performance criteria and necessary forms and procedures.
- Work collaboratively to develop/revise outreach materials to and to perform outreach.
- Convene for regular project review meetings, which will include evaluating and fine-tuning project structure and reviewing client referrals and existing client families
- Work collaboratively to achieve all service objectives and outcome objectives.
- Gather data necessary to measure progress toward service and outcome objectives

in an accurate and timely fashion in order that accurate reports may be submitted on time

D. Compensation and Disbursement of Funds

- Describe the format and due date for submission of invoices in alignment with prime contractor's policies and procedures and the terms of any grant that funds the work.
- Describe the documentation necessary to maintain and/or provide with each invoice.
- Indicate the total not-to-exceed value of the subcontract for each year of the subcontract term.
- Describe method for reimbursement, such as how prime contractor will submit invoices to grantor and how reimbursement will be provided to the subcontractor following invoice submission.

E. Amendment and Termination of Agreement

1. Budget Modifications

Describe the process subcontractor must use to request and receive approvals for budget modifications, including any grantor rules that must be adhered to.

2. Amendment

Describe the process used (e.g., written notice, timeline for notification) to amend the terms of this agreement, including any grantor rules that must be adhered to.

3. Termination

Describe the process used (e.g., written notice, timeline for notification) to terminate this agreement, including any grantor rules that must be adhered to.

F. Contract Requirements

Describe any contractual requirements from City or other grantors that must be adhered to by the subcontractor in performance of the subcontracted services. For example:

- Indicate if subcontract requires prior written approval from the grantor.
- Indicate if subcontract is subject to SF Administrative Code 12B, 12L, 12Q, 12W, Health Care Security Ordinance, fingerprinting rules, Equal Employment Opportunity rules, or other local, state or federal regulations.
- Indicate any penalties for not following local, state or federal regulations.

G. Audit Requirements

1. Audits: Describe any auditing requirements, such as audit requirements required by the grantor.

2. Financial Reporting: Describe any financial reporting requirements, such as reports required by the grantor.
3. Accounting Records: Describe any accounting record requirements, such as records required by the grantor.

H. Insurance and Bonding

Describe any insurance requirements, such as thresholds of insurance and bonding required by the grantor.

I. Independent Contractor

Clarify whether subcontractor serves as an independent contractor (as opposed to partner, agent or joint venture).

IV. STAFFING

- A. Role of subcontractor in recruitment, hiring, orientation, and supervision of agency staff.
- B. Role of subcontractor to provide agency staff with adequate support, supervision and communication through their immediate supervisor and orient them to the policies and procedures of the project.

V. ROLE OF SUBCONTRACTOR

Confirm the role of the subcontractor, per example below.

Subcontractor has agreed to accept responsibilities for providing program services and will ensure that the following items are adhered to:

- Employment of staff to responsibly execute services, in a satisfactory and proper manner.
- Program services are in full compliance with minimum program standards established by the project.
- Submission of all reports as required by grantor.
- Delivery of all proposed activities.
- All necessary staff attends meetings, training and events required for the program.
- All participants in the program meet eligibility requirements.
- Subcontractor maintains 501(c) 3 tax-exempt status as determined by the Internal Revenue Service.

VI. ROLE OF PRIME CONTRACTOR

- A. Describe prime contractor's role in fiscal management of the contracted services, including budget planning and approval, financial reporting, invoice submission and

payment, compliance with grantor requirements, etc.

- B. Describe prime contractor's expectations for performing fiscal and programmatic monitoring of subcontractor, including frequency, types of documentation reviewed, and process for notification.
- C. Describe prime contractor's role in verifying subcontractor's compliance with the requirements imposed by grantors and the terms and conditions of the subcontract agreement.

VII. CONTRACTORS DEFAULT

Describe provisions to be used in case of a breach of contract, including timeline for remedy.

VIII. NOTICE

Include the name, title, and contact information for individuals who should be contacted for formal notices required by this agreement.

IX. INDEMNITY

Include information about how each party will defend, indemnify, and hold harmless the other party's directors, officers, employees, and agents from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages, arising out of the performance of the subcontract agreement, but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the initial party, its directors, officers, employees, or agents.

SIGNATURE SHEET
SUBCONTRACT PERFORMANCE AGREEMENT
Between
Prime Contractor
And
Subcontractor

This Subcontract Agreement for [service] covers the period from [start date] to [end date].

Prime Contractor and Subcontractor agree to the terms and conditions set forth in this agreement.

Approved for Prime Contractor:

Full Name
Title

Date _____

Approved for Subcontractor:

Full Name
Title

Date _____