

GENERAL CONTRACTING REQUIREMENTS

A. COMPLIANCE WITH LAWS

Contracting organizations must comply with all federal, state, and local laws, rules, regulations, standards, and contractual requirements applicable to providing the contracted service(s). Contracting organizations will be required to sign assurances, including, but not limited to, non-discrimination and equal opportunity.

B. COMPLIANCE WITH SERVICE STANDARDS

Contracting organizations must comply with all applicable program policies and standards included in Appendices B and C, and Minnesota Board on Aging (MBA) contracting requirements. Services must be implemented according to these standards unless a temporary or permanent waiver of compliance has been granted by the Minnesota River Area Agency on Aging[®], Inc. (MNRAAA).

C. SERVICE ELIGIBILITY

Eligibility for services is controlled by federal and state laws and regulations, including, but not limited to, those found in the Older Americans Act, MNRAAA Policy and Procedures Manual, OMB Circulars (http://www.aoa.gov/AoARoot/AoA_Programs/OAA/oa_full.asp), etc. In general, persons 60 years of age or older are eligible for Older Americans Act services. Contracting organizations must comply with eligibility criteria, as further defined in the Title IIIC Minimum Nutrition Service Standards/Definitions, Appendix C.

A means test may not be utilized to determine eligibility for Older Americans Act Title III services.

Service may not be denied to an older individual, based on their willingness or ability to contribute towards the cost of the service.

D. TARGET POPULATIONS

Contracting organizations must serve individuals who meet target population criteria, as specified in the Title IIIC Minimum Nutrition Service Standards/Definitions, Appendix C.

E. INVOLVEMENT OF OLDER PERSONS

Contractors must involve older persons, including program participants, in decisions related to service design, delivery and an ongoing quality improvement process.

F. VOLUNTEERS

Volunteers provide an important and cost-effective means of increasing or enhancing services for older people. Contractors must be able to detail how volunteers will be utilized in the program.

G. STAFFING GUIDELINES

The Contractor must utilize an adequate number of qualified paid and volunteer staff to assure satisfactory operation of the program. Preference should be given to persons age 60 and over in the hiring for all positions when other qualifications are equal.

H. STAFF ORIENTATION/TRAINING PLAN

All staff, both paid and volunteer, must receive orientation before providing services and in-service training on a quarterly basis. Each service provider should have a written training plan describing the content of orientation and training. Current written job descriptions shall be available for all paid and volunteer staff. All staff shall have a performance evaluation at least once each year.

I. ADVISORY COUNCIL/CONSUMER INPUT

Each Contractor must make provision for periodically obtaining the advice of persons competent in the field of service, older individuals who are participants, and persons knowledgeable in the needs of older individuals relative to effective delivery of senior nutrition services.

Contractors shall establish a means of soliciting participant input on appropriate matters relating to the service program through advisory councils, surveys, suggestions boxes, and questionnaires at least once a year.

J. QUALITY IMPROVEMENT

A quality improvement process will be implemented by each Contractor which includes regular and ongoing monitoring of service quality, consumer satisfaction and outcome evaluation. Methods of receiving consumer input on the quality of services need to be intact and utilized on a regular basis. Examples include site councils, project councils, consumer forums, consumer satisfaction surveys, telephone interviews, visits, etc.

K. MONITORING

Administrative and service delivery procedures of Contractors shall be monitored to ensure clients are receiving services in an appropriate manner, the program is operating with full accountability and a quality improvement plan is being implemented.

L. CONTRACT TERMS AND CONDITIONS

Contracting organizations will be required to sign MNRAAA's Contract form that refers to specific program standards and assurances.

M. ACCESS TO DATA

All books, records, documents, reports and other data shall be subject to, at all reasonable times, whether scheduled or unscheduled, inspection, review, or audit by MNRAAA, the State of Minnesota or MBA personnel, or other personnel duly authorized by the MBA, the Office of the State Auditor, or other state or federal officials as authorized by law, rule, regulation or agreement.

N. ACCOUNTING SYSTEM REQUIREMENTS

The Contractor must establish and maintain an accounting system that adequately identifies each revenue source and the application of funds. The accounting records must contain information pertaining to projects, grants or sub-grant awards, and all authorizations, obligations, unobligated balances, assets, liabilities, outlays, expenditures and revenue. Each funding source shall bear only reasonable and allowable costs. For more detailed information refer to 45 CFR 74 (or 45 CFR 92).

An adequate audit trail shall be maintained. All transactions and other significant events are to be clearly documented. The documentation is to be readily available for examination by persons authorized by the MBA.

The Contractor will utilize an accounting system that determines as accurately as possible the actual costs to provide the service(s) by funding source. This accounting system provides the means to gather fiscal data necessary to:

- *Determine the value of a unit of service;
- *Meet competition;
- *Determine the bid price;
- *Determine if funds were generated in excess of allowable costs or if a loss occurred.

The Contractor must establish and maintain adequate internal control systems and standards that apply to the entire operation of the organization. Specific requirements include:

- Maintenance of current charts of accounts.
- Maintenance of current accounting policies and procedures manual that includes a complete description of the organization's financial management functions.
- Separate fund accounts identified with the accounting system to account for contract funds.
- Methods for adequate identification of receipts and expenditures for each contract or subcontract for each fund.

- Adequate documentation supporting all accounting entries.
- Monthly reconciliation of bank accounts, with records kept on file.
- Monthly trial balance prepared to ensure accounting records are posted correctly and the book (general ledger) is balanced.
- Written inventory control procedure kept on file.
- Employee duties and responsibilities separated so no one employee has sole control over cash receipts, disbursements, and reconciliation of bank accounts.

O. AUDIT REQUIREMENTS

This program is funded with federal financial assistance funds and state funds. The Contractor of this program is considered a sub-recipient of Title III federal financial assistance, subject to audit requirements under OMB Circular A-133 (<http://www.whitehouse.gov/omb/circulars/a133/a133.html>) and Government Audit Standards. All records related to the federal financial assistance funds will be retained for at least a period of three years after the audit is resolved by MNRAAA. All records related to state financial assistance funds will be retained for six years after completion of the funding period.

The expense of an A-133 audit is an allowable Title III expense. All other audit costs may not use Title III, however the expense can be used as match.

P. MATCH REQUIREMENTS

The Title III-C Nutrition Service Programs are federally funded programs and require a minimum of 15% in non-federal cash and/or in-kind matching funds for each program.

The federal share of these contracts may not exceed 85% of the total net cost of the program. Local match may be met with cash and/or in-kind resources utilized in the performance of the contracted services.

Q. PARTICIPANT CONTRIBUTIONS

The Contractor shall develop and publish a schedule of suggested contributions and shall advise participants of the opportunity to contribute towards the cost of the service. In no case shall the Contractor deny the provision of service to a consumer who is unable or unwilling to make a contribution. Contractors cannot charge a fee for Title III services.

R. PROGRAM INCOME

Program Income, as defined in 45 CFR 74 (or 45 CFR 92) (<http://www.gpoaccess.gov/cfr/index.html>), includes, but is not limited to, client donations and other income received by or due to the contracting organization, as a result of activities wholly or partially supported by funds from the contract. Contracting organizations must report all program income to MNRAAA per the signed contract agreement.

S. REPORTING

The Contractor shall make such reports as MNRAAA requires in the manner, form, and per the schedule indicated below.

1. **Federal/State Monthly Meal Counts and Revisions:** Monthly. Due no later than the 15th day of the month for services provided the previous month. Required information includes service units, number of unduplicated persons served, verification of the eligibility of each person served, and Contractor income and expenditures.
 - Contracting organizations must serve eligible individuals and verify their eligibility using the NAPIS (National Aging Program Information System) Participant Registration Forms, as specified in the Title III-C Minimum Nutrition Service Standards/Definitions, Appendix C .
 - Contractors must use the NAPIS data system to report service units, unduplicated persons served, and the eligibility of persons served. Data reported for the previous month must be accurate, complete and current by the 15th day of the month.
 - A separate financial (income and expenditures) report must be sent to MNRAAA.

2. **Quarterly Discussion: Progress Report on Targeting.** Quarterly. At the end of each quarter, the Contractor will meet with MNRAAA staff to discuss: 1) progress on improving the accuracy and comprehensiveness of participant data as it appears in the NAPIS database and 2) progress on targeting nutrition services based on the criteria outlined in the Title III-C Minimum Nutrition Standards/Definitions.

Quarterly discussions will be based on reports produced using the NAPIS data system. MNRAAA will specify the reports to be run based on the relevant eligibility and targeting criteria for the service/s included in the contract. Documentation of the issues discussed, challenges/barriers identified, and agreed upon action steps shall be developed by MNRAAA, reviewed by the Contractor and kept on file.

3. **Copies of Menus and Nutrient Analysis:** Quarterly. Menu cycles must be at least five weeks long and submitted to MNRAAA on a quarterly basis along with the nutrient analysis of the menu/s.

4. **Equipment Inventory:** (For equipment purchased with federal funds only) Submitted annually as of December 31, not later than January 10.

5. **Final Financial Report:** Required for congregate and home-delivered nutrition services.

T. PAYMENT

The contract entered in to is an agreement for a set rate per service unit provided to eligible participants. The eligibility of participants is established through the completion of the NAPIS Participant Registration Form. In addition to verification of participant eligibility, accurate monthly service unit counts are required to justify the payment of funds. Payment will be made on a unit cost rate basis for the services provided and when required reporting is completed.

Contracting organizations must bill MNRAAA or its assigns on approved forms no later than the 15th day of the month for services provided the previous month.

Rates may be revised during the contract period by amendment at the discretion of MNRAAA if there are extenuating circumstances.

U. INSURANCE REQUIREMENTS

1. The Contractor shall not commence work under the contract until they have obtained all the insurance described below. All policies and certificates shall provide that the policies shall remain in force and effect throughout the term of the contract.
2. The Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:
 - a. **Workers' Compensation Insurance:** Except as provided below, Contractor must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance **minimum** amounts are as follows:
 - \$100,000 – Bodily Injury by Disease per employee
 - \$500,000 – Bodily Injury by Disease aggregate
 - \$100,000 – Bodily Injury by Accident
 - b. **Commercial General Liability:** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the contract whether the operations are by the Contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor under the contract. Insurance **minimum** amounts are as follows:

\$2,000,000 – per occurrence
\$2,000,000 – annual aggregate
\$2,000,000 – annual aggregate – Products/Completed Operations

The following coverage's shall be included:

Premises and Operations Bodily Injury and Property Damage
Personal and Advertising Injury
Blanket Contractual Liability
Products and Completed Operations Liability

- c. Commercial Automobile Liability:** Contractor is required to maintain insurance protecting the Contractor from claims for damages for bodily injury as well as from claims for property damage resulting from ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the Contractor will require the subcontractor to provide Commercial Automobile Liability. Insurance **minimum** amounts are as follows:

\$2,000,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

In addition, the following coverage's should be included: Owned, Hired, and Non-owned Automobile

- d. Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability Insurance (if applicable)**

This policy will provide coverage for all claims the Contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor's professional services required under the contract.

Contractor is required to carry the following **minimum** amounts:

\$2,000,000 – per claim or event
\$2,000,000 – annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed \$50,000 without the written approval of MNRAAA. If the Contractor desires authority from MNRAAA to have a deductible in a higher amount, the Contractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that MNRAAA can ascertain the ability of the Contractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this contract and the Contractor shall maintain such insurance for a period of at least three (3) years, following completion of the work. If the Contractor discontinues such insurance, then extended reporting period coverage must be purchased to fulfill this requirement.

e. Blanket Employee Theft/Employee Dishonesty Insurance.

Contractor is required to obtain a blanket employee theft/employee dishonesty policy in at least the total amount of the first year's contract award as either an addendum on its property insurance policy, or if it is not feasible to include it as an addendum to a property insurance policy, as a stand-alone employee theft/employee dishonesty policy. MNRAAA will be named as both a joint payee and a certificate holder on the property insurance policy addendum or on the stand-alone employee theft/employee dishonesty policy, whichever is applicable. Only in cases in which the first year's contract award exceeds the available employee theft/employee dishonesty coverage may Contractors provide blanket employee theft/employee dishonesty insurance in an amount equal to either 25% of the yearly contract amount, or the first quarterly advance amount, whichever is greater. Upon execution of a contract, the Contractor must furnish MNRAAA with a certificate of employee theft/employee dishonesty insurance.

3. Additional Insurance Conditions:

- Contractor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to MNRAAA with respect to any claim arising out of Contractor's performance under this contract;
- Contractor's policy(ies) and Certificates of Insurance shall contain a provision that coverage afforded under the policies shall not be cancelled or non-renewed without at least thirty (30) days advanced written notice to MNRAAA;
- Contractor is responsible for payment of contract related insurance premiums and deductibles;
- If Contractor is self-insured, a Certificate of Self-Insurance must be attached;
- Include legal defense fees in addition to its liability policy limits, with the exception of G.2.d. above; and
- Obtain insurance policies from an insurance company having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better and must be authorized to do business in the State of Minnesota.

4. MNRAAA reserves the right to immediately terminate the contract if the Contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the Contractor. All insurance policies must be open to inspection by MNRAAA, and copies of policies must be submitted to MNRAAA's authorized representative upon written request.

5. The successful responder is required to submit acceptable evidence of insurance coverage requirements prior to commencing work under the contract.

V. PROHIBITED SERVICE ACTIVITIES

- a) A means test may not be utilized to determine eligibility for Older Americans Act Title III services.
- b) Service may not be denied to an older individual based on their unwillingness or inability to contribute towards the cost of the meal or service.
- c) Claiming payment for ineligible persons or meals.