

**STATE OF NEW JERSEY  
DEPARTMENT OF HUMAN SERVICES**

**TO:** Manual Holders

**DATE:** May 1, 1999

**SUBJECT:** Subcontracts

This Information Memorandum applies to all Public and Private Provider Agencies that contract with the Department of Human Services and award subcontracts as a means of providing third party social services and training to individuals/families as specified in the Contract. The intent of this information memorandum is to provide subcontracting requirements that must be followed by Provider Agencies to ensure that the Department of Human Services receives quality services as contractually agreed upon by the Provider and Department.

As stated in the Department's Standard Language Document for Social Service and Training Contracts, the Provider Agency may not subcontract any of the services that it has committed to perform or provide pursuant to the Contract without the prior written consent of the Department. Such consent to subcontract shall not relieve the Provider Agency of its full responsibilities under the Contract. Consent to the subcontracting of any part of the services shall not be construed to be an approval of said subcontract or any of its terms, but shall operate only as an approval of the Provider Agency's request for the making of a subcontract between the Provider Agency and its chosen subcontractor. The Provider Agency shall be responsible for all services performed by the subcontractor and all such services shall conform to the provisions of the Contract.

If a Provider Agency chooses to subcontract, it must ensure that subcontractors comply with all applicable federal, State and local laws, rules and regulations, including the Department's Standard Language Document and the Department's Contract Policy and Information Manual and Contract Reimbursement Manual. The subcontract shall not be in conflict or less restrictive than any of the Department of Human Services' policies or procedures. The Provider shall outline in the Annex A of the Department Contract

a description of how the Provider intends to monitor any subcontract it signs to ensure compliance with the Departmental Contract.

The Provider shall also ensure that:

1. the subcontract document shall include, at a minimum:
  - a. terms and conditions written so that they do not contradict or compromise any of the language in the Department/Provider Agency Contract;
  - b. a program (service) description, including level of service; and
  - c. a budget or rate(s).
2. the subcontract contains provision(s) for adequate insurance, and a written assurance that the subcontractor will indemnify, defend and hold harmless the State of New Jersey and its employees from and against all claims, demands, suits, actions recoveries, judgments and costs and any other expenses therewith. The State of New Jersey shall also be named as an additional insured on the subcontractor's insurance coverage.
3. necessary licenses and credentials required by the Departmental component are maintained by the subcontractor(s).
4. the subcontractor maintains the confidentiality of all subcontract client records and reports pertaining to the client(s) served (N.J.S.A. 30:4-24.3); this includes any medical condition(s) of the client(s), or any subject of a personal or intimate nature regarding the client(s).
5. the Department and Provider Agency have access to all subcontract documents applicable to the Departmental Contract.
6. interim service and financial reports necessary to support the contractual conditions and obligations of the Department/Provider Agency Contract are complete and received from the subcontractor(s) in a timely manner.
7. all subcontractors follow the audit requirements specified in Department of Human Services' Audit Requirements, Policy Circular P7.06, as from time to time amended.

8. the fully executed subcontract and any copies required shall be received by the Departmental Components within thirty (30) Days of the subcontract begin date. The thirty (30) Day time frame shall be applicable for any subsequent subcontract amendments or modifications.

Submission of a fully executed subcontract shall be evidence that the Provider has reviewed the subcontract and determined that it complies with all of the requirements of this Information Memorandum.

Issued by:

  
Henrietta Small, Manager  
Contract Policy and Management Unit