

Subcontractor vs Vendor vs Consultant Guidance

	Subcontract	Vendor
Work performed	<p>Performs a significant portion of the scope of work/objectives of the program.</p> <p>Collaborates in the project design/proposal development. Provides scope of work and budget as part of the proposal preparation.</p> <p>Completes work promised and analyzes results found; collaborates on design;</p>	<p>Does not participate/collaborate in project design/proposal development.</p> <p>Performs services only such as lab testing, report printing; does not perform analysis or evaluation or exercise discretionary judgment.</p> <p>Services are part of the vendor's regular business operations and are available to many different purchasers/customers at standard/fixed rates. Services are more routine in nature.</p>
F&A (Indirect Costs)	F & A costs apply only to the first \$25,000 of the subaward.	F & A costs apply to entire figure, regardless of total. These fees are considered "other direct costs" on the budget.
Personnel	<p>Investigator is identified.</p> <p>Qualifications of investigator (vitae), pending & current support, etc. are included in the proposal and considered during the peer evaluation.</p> <p>Change in personnel may require prior approval.</p>	Person conducting work is not identified.
Technology Transfer	Potential for patentable or copyrightable technology to be created through project; entity has right to protect technology	No potential for patentable or copyrightable technology to be created through project
Publications	<p>Publication of results expected; investigator to author, or be co-author.</p> <p>Presentations/dissemination, such as professional conferences.</p>	<p>No publications.</p> <p>May include university on list of "customers"</p>

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Cost Sharing	May be providing cost sharing or matching funds	Fixed price by project/task...No cost sharing or matching funds involved.
Compliance	Flow-down of prime sponsor terms and conditions, human subjects review, etc. Depending on type of agreement, financial monitoring/restrictions/audit provisions	

Subcontract vs. Consultant: subcontracted work is generally conducted at another institution or company, and usually has a budget for salary/fringes, supplies, etc. The sponsor requirements/terms and conditions have to be passed down to the subcontract via written agreements. Compliance also has to be monitored. A consulting agreement is generally to an individual who is not using any institutional or organizational facilities and is acting as a direct agent. He/she usually bills by the hour, by invoice, and is paid directly. Their rate includes expenses.

Subcontract: A “subcontractor” may also be referred to as a subrecipient, subawardee, subgrantee. A “subcontract” may also be referred to as a subaward or subgrant

For each subcontract included in a proposal, a letter of collaboration signed by the sub-contractor’s authorized representative, a detailed scope of work, budget, and budget justification must be provided to the Office of Sponsored Program before the proposal will be approved for submittal.

In most cases the subcontract total budget includes both direct and F&A costs of the subawardee in the single line item on the prime institution’s proposal budget.

CONSULTANTS?

Consultants are experts outside the University hired to perform a service on the project for a short period of time. Consultants are not supervised by a university employee, they do not supervise any university employees, they do not have use of university facilities and resources, they take on a profit/loss risk, etc.

University of Colorado faculty or other institutional staff (regardless of campus affiliation) cannot be listed as paid consultants on a UCCS project. OMB Circular A-21 limits consultant or ‘extra-compensation’ for an institution’s own employees.

(See <http://www.whitehouse.gov/omb/circulars/index-ffm.html>) The general rule is that extra compensation (overload) may not be paid unless it is 1) work is across department lines, 2) in addition to normal duties/responsibilities, and 3) approved by the sponsoring agency. Therefore, university employees are rarely listed as paid consultants. Also, federal funds may not be used to pay federal employees for consulting.