

GUIDELINES FOR GRANTS INVOLVING CONSULTANTS OR SUBCONTRACTORS

The Council on Library and Information Resources

The following guidelines govern the use of consultants and/or subcontractors for grants funded by The Council on Library and Information Resources (CLIR) through the *Digitizing Hidden Special Collections and Archives* program. The Andrew W. Mellon Foundation funds this program, and these guidelines have been derived from the Foundation's own policy.¹ CLIR does not ordinarily consider universities that would partner with a grant applicant to be consultants or subcontractors for purposes of these guidelines.

Where a significant portion of the grant budget will be paid to a third party such as a consultant, vendor, or other service provider in exchange for services described in a proposal, the following guidelines will apply:

Bidding

- If selection of a consultant, vendor, or other service provider is made prior to the submission of the proposal, the proposal should include an explanation of how and why the applicant made that selection. In addition, applicants should include the selected service provider's budget as an appendix to the proposal budget. The service provider's budget should include the same level of detail as is expected for the main proposal's budget. The main proposal's budget narrative should account for all costs listed in the service provider's budget in addition to all costs listed in the main proposal's budget.
- If the selection of a consultant, vendor, or other service provider is not made prior to submission, the proposal should provide an estimate of related costs as an average of *at least three* quotes received. The applicant is responsible for obtaining detailed budget information from potential consultants or subcontractors. Bids from prospective consultants or subcontractors should include budgets and budget narratives at the same level of detail as those expected in the main proposal.
- In cases where actual costs of a service differ in practice from the proposal's original estimates, grant recipients will be required to report those differences to CLIR and obtain prior approval for any reallocation of funds, in accordance with [CLIR's grant modification guidelines](#). In cases where actual costs of a service prove to be significantly lower than original estimates, the grant recipient may be required to return the difference to CLIR.

¹ http://www.mellon.org/media/filer_public/9b/c7/9bc7216d-4c71-46de-9796-73831854d06a/guidelinesgrantsconsultantssubcontractors102313.pdf

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Terms of Consulting or Subcontracts

- Wherever large amounts of consultant or subcontractor hours are anticipated, fixed-price contracts are preferable to hourly contracts; if hourly contracts are used, a monetary limit should be expressly set.
- Vendors should provide clear documentation describing the work to be performed, including detailed budgets for estimated hours and expenses, in all consulting and subcontracting contracts and subsequent invoices.
- Grant recipients should, wherever possible, pay the subcontractor in stages as work is completed rather than disbursing an “up front” payment of the entire amount budgeted.
- The principal investigator is responsible for monitoring the work and expenses of all subcontractors and consultants.
- All consultants and subcontractors should sign confidentiality and work-for-hire agreements (where applicable), and affirm that they have no conflicts of interest.

Reporting

Consulting expenses should be clearly and separately accounted for in financial and narrative reports to CLIR.