Guidelines for Grant Proposals Involving Subcontractors or Consultants

Digitizing Hidden Special Collections and Archives and Recordings at Risk

The following guidelines govern the use of subcontractors and/or consultants for grants funded by The Council on Library and Information Resources (CLIR) through Digitizing Hidden Special Collections and Archives and Recordings at Risk. The Andrew W. Mellon Foundation funds these programs, and these guidelines have been created with reference to the Foundation's own policy.¹ CLIR does not ordinarily consider collaborating partners on joint projects to be subcontractors or consultants for purposes of these guidelines. Normally, subcontractors or consultants are businesses or individuals who provide necessary goods or services for remuneration.

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, Selection, and Budgeting

Normally CLIR expects grant applicants to have identified and selected any subcontractors, consultants, vendors, or other providers necessary for undertaking project work while planning their applications, and to incorporate the exact amounts for the selected providers’ services or goods into grant proposal budgets. Applicants should not request the average cost of a variety of options, since this increases the potential for budget shortfalls.

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Rev. 07.30.21, CLIR Grants Team
In cases where selecting service providers prior to receiving an award is prohibited by law or organizational policies, applicants should make tentative/provisional selections for the purposes of preparing proposal budgets and explain how they will make final selections in the event funds are awarded.

Applicants should include in their proposals an explanation of how service providers have been identified and how selections, or tentative/provisional selections, have been made.

CLIR does not require or advise that applicants make selection decisions on the basis of cost alone. The nature and needs of the proposed project and applicants’ assessments of the quality and convenience of the services to be provided are more important considerations.

Applicants should provide copies of selected service provider budgets, proposals, or estimates as part of their application packages. Applicants are also strongly encouraged to include copies of any budgets, proposals, or estimates supplied by alternative service providers that were considered but not selected, as supporting evidence for their rationale for selection.

CLIR’s review panelists prefer to see evidence that applicants have considered at least three digitization service providers but understand that the needs of a proposed project and the geographic location(s) of the applicant organization(s) may limit available options.

Selected service provider budgets, proposals, or estimates should include at least the same level of detail as is required for the main application package, with methods of calculation clarified and charges for specific components of a service (e.g. shipping and handling, storage, or metadata creation) itemized.

Digitization service providers should include in their proposals:

- descriptions and quantities of items to be digitized and associated charges for each item;
- a description of each activity in the digitization workflow for which the applicant would be charged, and whether any activities would be mandatory,
optional, or required under some circumstances but not others (such as in the event the source material is in poor condition);

● itemized charges for shipping, insurance, or storage media required for the project and who will be responsible for paying those charges, if they are paid to third parties; and

● a list of deliverables for the project, including how digital deliverables will be stored, organized and returned.

The main proposal’s budget narrative or summary should account for all charges listed in the service provider’s budget in addition to all costs listed in the main proposal’s budget.

**Terms of Subcontracts and Consulting Agreements**

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 within the limits of the originally budgeted amount.

The primary Principal Investigator is responsible for monitoring the work and expenses of all consultants and subcontractors.

Consultants or subcontractors should provide clear documentation describing the work to be performed, including estimated hours and work-related expenses, as well as a timeline for completion of services or delivery of goods, prior to the execution of any contract.

If applying to the Recording at Risk program, an estimate, quote, or subcontract is required for *any consultant or subcontractor fees* proposed in the application. If applying to Digitizing Hidden Special Collections and Archives, at least one service provider proposal is required *if a subcontractor will be paid $5000 or more* using grant funds.

All consultants and subcontractors should sign confidentiality and work-for-hire agreements (where applicable), and affirm they have no conflicts of interest.
Grant recipients should pay consultants or subcontractors in stages as work is completed rather than disbursing an “up front” payment of the entire amount budgeted.

**Reporting to CLIR**

In the event funds are awarded and actual costs of a service or good differ in practice from an applicant's original estimate, grant recipients will be required to report those differences to CLIR and to obtain prior approval for any reallocation of funds, in accordance with the grant modification policies for the program. Grant modification instructions are provided on CLIR's website on the “Manage an Award” page for each program (Digitizing Hidden Collections; Recordings at Risk).

In cases where actual costs of a good or service prove to be lower than original estimates, grant recipients will be required to return the difference to CLIR unless the recipient obtains prior approval for a reallocation of those funds to another purpose directly related to the project.

All consulting and subcontractor expenses should be clearly and separately accounted for in financial and narrative reports to CLIR.