

## BUSINESS SERVICES - PROCUREMENT AND CONTRACTING

---

1250 Siskiyou Blvd, Ashland, Oregon 97520  
T 541-552-6574 | F 541-552-6573

### Personal/Professional Services Contract Guidelines

#### **Definition:**

A Personal/Professional Services Contract (PSC) is a specialized type of contract which is used to acquire skills, knowledge, and professional expertise not available at the University. There are two PSC forms (short and long).

- **Short Form: For contract values less than \$25,000.**
  - **Long Form: For contract values \$25,000 or greater.**
- 

#### **Guidelines for Considering the Use of a PSC:**

A PSC may be considered when one or more of the following situations exist:

- The specialized skills, knowledge, and resources to be provided by an independent contractor are not available within the University.
- The work cannot be done in a reasonable time with the institution's own work force.
- An independent, impartial evaluation of a situation is required by a consultant with recognized professional expertise and stature in a field.
- A grant requires work to be done under a subcontract.

An independent contractor usually:

- Is a sole proprietorship, partnership, or corporation whose services are available to the public, and who may sustain a profit or loss.
- Is free to choose the working conditions, methods and techniques for performing the work and is not under the direction and control of the department.
- Is responsible only for meeting the specifications in the agreement.
- Has the right to employ assistants.
- Has a normal business practice, and uses separate telephone service, business cards or commercial advertising as is customary in operating similar businesses.
- Has two or more effective contracts.
- Has had no recent employee relationship with the University

An employee usually:

- Is a person subject to the direction and control of the University, not only as to what shall be done, but when, where, and how it shall be done.
- Is furnished with the tools, equipment, and a place to work.
- Has the right to quit.
- Is currently on OUS payroll.
- Has a former (or future) employer-employee relationship with the University.

## BUSINESS SERVICES - PROCUREMENT AND CONTRACTING

---

1250 Siskiyou Blvd, Ashland, Oregon 97520  
T 541-552-6574 | F 541-552-6573

### Personal/Professional Services Contract Guidelines

#### **Selection of Contractors:**

A PSC under \$25,000: Departments are not required to engage in a competitive selection process. PSC's require the prior approval of the Business Office, unless your department has delegated authority, before services may be rendered by the contractor. The department will make reasonable efforts to select the most qualified contractor. The amount of the PSC is not to be manipulated to avoid the need for competitive selection procedures.

A PSC \$25,000 or more: Require departments contact the Purchasing Office to discuss whether or not to engage in a formal selection procedure, unless your department has delegated authority to do so. A Certificate of Insurance may also be required from the Contractor at this level.

A PSC with potential or stated costs over \$100,000 require the additional prior approval of the Attorney General (HB2321). Departments should plan accordingly.

Artists, musicians, guest lecturers, speakers and performers, Sole Source, Grant, or Contract-Sponsored Research, or Emergency Appointments are exempt from competitive selection.

#### **Approval Process:**

##### **ALL PSC FORMS MUST BE SIGNED BY ALL PARTIES BEFORE SERVICES MAY BEGIN.**

Contracts received after the fact will be returned for additional documentation.

**State law expressly forbids retroactive contracts for personal services, and indicates that persons who authorize a retroactive contract may be personally liable to repay the monies thus expended, and may possibly be subject to other civil penalties.**

Once the contract has been signed by the Contractor and the Department, a Banner Invoice is created by the Department (using account code 24599, and a payment date equal to or greater than the date of service), and the PSC is to be sent to Business Services for signature and/or Banner Finance approval. A copy of the fully signed agreement will be returned to the Department. Progress payments are allowed according to payment schedules or periodic invoices, when outlined in the PSC.

If multiple payments will be issued against the PSC, the Department should enter an invoice into Banner, and send a photocopy of the signed PSC to Business Services (Purchasing), along with a reference to the invoice to be paid. The original PSC will be retained at Business Services, and each subsequent payment will be approved in Banner, and noted on the original PSC.

A PSC with potential or stated costs over \$100,000 require the additional prior approval of the Attorney General (HB2321). Departments should plan accordingly.