

**Procedures for Personal Services Exceeding \$10,000**

**Procedures for Personal Services Exceeding \$10,000**

**I. Purpose**

State law permits the purchase of professional, technical, scientific, or design services by means of Personal Service Contract if University personnel are not available or it is not feasible for University or State personnel to perform the service.

**II. Policy**

The Purchasing Division will determine whether another state agency or other university personnel can reasonably provide the needed service prior to initiating the Personal Service Contract procedure. A Personal Service Contract may not be used when the contract required will establish an employee/employer relationship between the university and the contractor. An employee/employer relationship exists when the university has the right to direct and control the worker in the way he works, both as to the final results and as to the details of when, where and how the work is done.

**III. Procedures**

Personal Service Contracts must be procured and processed in accordance with this policy and KRS 45A.690 - 45A.725.

A. University departments that require services appropriate to be contracted through a Personal Service Contract must contact the Purchasing Division. The request must be signed by the appropriate Dean/Director, or Provost, Executive Vice President for Finance and Administration, Vice President for Research, or the Executive Vice President for Health Affairs and include a description of the services desired, the estimated amount of work involved, the estimated cost per fiscal year, and the department's contact person. The request to contract must be submitted well in advance of the desired effective date as contracting for personal services requires considerable time to complete. Time required to process will vary depending on the service required and specific details of the contracting process. Most contract processing requires at least 60 days to complete.

B. The Purchasing Division will review the information submitted to determine the appropriateness of contracting for the needs using the Personal Service Contract method. The Purchasing Division will work with the requesting department to develop a Request for Proposal.

1. Pursuant to KRS 45A.695, the Purchasing Division will issue a Request for Proposals to solicit proposals for the services required. The Request for Proposal must describe at a minimum the services required, list the type of information and data required of each offeror, and state the relative importance of particular qualifications.
2. The Purchasing Division will distribute the Request for Proposals and, if the estimated amount of the Personal Service Contract is \$10,000 or more per fiscal year, give adequate public notice of the need for services. Adequate public notice may include newspaper advertising, professional journal advertising, or placing a notice on the Purchasing Division's website. The

***Procedures for Personal Services Exceeding \$10,000***

notice will contain a brief description of services requested, estimated amount of work involved, and the name of the person to contact in order to obtain additional information and a copy of the Request for Proposals.

3. Upon receipt of responses, the Purchasing Division may conduct discussions with any offeror submitting a proposal to determine the offeror's qualifications for further consideration, but such discussions must not disclose information derived from another offeror's proposal. If discussions are conducted with offerors for purposes other than to secure qualification information, the same discussions must be conducted with all offerors.
  4. The Chief Procurement Officer will appoint a proposal evaluation committee from university representatives recommended by the unit requesting the services and others, at the director's discretion. The Purchasing Division and the assigned evaluation committee shall review the proposals received and record written determinations of the qualification rankings of the offerors based on the evaluation factors set forth in the Request for Proposals. This written determination shall be maintained by the Purchasing Division as required by KRS 45A.695(5).
  5. After determining the best qualified of all offerors, the Purchasing Division may negotiate a fair and reasonable compensation with the selected offeror. If compensation cannot be agreed upon with the best qualified offeror, negotiations may be conducted with other offeror(s) in the order of their respective qualification ranking.
  6. After selecting the contractor, the Purchasing Division will generate a contract which includes all terms and conditions agreed upon. The contract will include the sworn statement regarding campaign finance laws required by KRS 45A.110(2) and 45A.115, in addition to the statement required by KRS 45A.485, and the Legislative Research Commission (LRC) Proof of Necessity (PON). The resulting contract must be signed by both parties, and forwarded to the LRC for their review and approval. Forwarding for appropriate approvals and filing with LRC may be done electronically.
- C. Contracts for project specific architectural and engineering services will be advertised, contracted and managed by Capital Project Management Division in accordance with provisions of KRS 45A.800 - 45A.836. Capital Project Management will advertise statements of need for per diem architectural and engineering services and will finalize contracts with all interested parties. Capital Project Management will manage the use of these contracts by issuing and controlling assignments for services required by the University.
- D. An amendment to a contract must be processed in the same manner as an original contract. An amendment includes an extension of a Personal Service Contract, an address change, an increase or decrease to encumbrance, and any other correction or change. Changes in the encumbrance amount are made by an Advice of Change, approved by the requesting Department and the Purchasing Division. An Advice of Change may be routed electronically.

***Procedures for Personal Services Exceeding \$10,000***

- E. If requested, the Executive Vice President for Finance and Administration or his designated representative will represent the University at meetings of the Government Contract Review Committee. No work, as described in the Personal Service Contract, may begin until the Legislative Research Commission has officially received the proposed contract.
  
- F. The Purchasing Division will notify each unit when work may begin on a Personal Service Contract (when the contract has been received by the Legislative Research Commission). The Purchasing Division will also notify each unit if the Government Contract Review Committee rejects the contract. Once the Committee has approved a contract, the University may make payments for services under the contract.
  
- G. The Kentucky Model Procurement Code establishes conditions for invoicing for personal service contracts. "No payment shall be made on any personal service contract unless the individual, firm, partnership or corporation awarded the personal service contract submits its invoice on a form established by the committee." The Government Contract Review Committee has adopted a personal service contract invoice form that must be submitted with each invoice as a condition of payment. The Personal Service Contract Invoice Form shall be used for this purpose and may be found online at <http://www.uky.edu/Purchasing/docs/pscinvoiceform.pdf>