

University of Kentucky, College of Nursing Consultancies and Personal Service Contracts (PSCs) Policy

Overview

The purpose of this policy is to define how the College of Nursing manages the approval, onboarding, and payment of consultants and Personal Service Contracts (PSC).

The University's policy governing personal service contracts is established by state law in the Kentucky Revised Statutes (KRS 45A.690 to 45A.725). The University is required to be compliant with State law and therefore must follow procedures carefully.

- Contracts are reported for review to the Government Contract Review Committee (GCRC) of the Kentucky state legislature.
- The GCRC meets on the second Tuesday of the month in Frankfort.
- Contracts must be submitted to the GCRC prior to the close of business of the last working day of the month for review at the following month's meeting.
- Each contract must include a thirty (30) day cancellation clause.

Under no circumstances should a faculty or staff member initiate services with a consultant/PSC until approval is provided by UK Procurement Services and an email authorization to proceed is sent by the CON Business Office to the Requester.

Definitions

Personal Service Contracts (PSC) are defined (KRS 45A.690) as:

“...an agreement whereby an **individual, firm, partnership, or corporation** is to perform certain services **requiring professional skill or professional judgement** for a **specific period of time** at a **price agreed upon.**”

Personal Service Contract Types/Examples

- Consultants and consulting services
- Graphic and web design
- Executive search firms
- Attorneys
- Auditing or accounting
- Licensed medical personnel (not employment agencies)
- Insurance adjusters
- Architect or engineer
- Others, where a license or legal authorization is required (contact Procurement Services for determination)

Note: Software development may or may not be subject to the PSC process contingent on the work being performed. Contact UK Procurement Services for questions regarding the work being performed).

Examples of Other Services/Contracts Not Included as PSCs (not inclusive of everything)

- Maintenance contracts
- Temporary/recruiting services
- Honorariums
- Visiting speakers
- Entertainers or performing artists
- Concessions
- Laundry

CON Process Flow

Under no circumstances should a faculty or staff member initiate services with a consultant/PSC until approval is provided by UK Procurement Services and an email authorization to proceed is sent by the CON Business Office.

The following procedures have been established to ensure that PSCs are approved and paid on time.

- Requester submits a purchase request and official quote from the consultant/PSC to the CON Business Office (CONOrders@uky.edu) to request a PSC. This submittal only initiates the process and ensures there is budget for the activity. Approval of the purchase request only initiates the process and does not authorize the Requester to proceed using the consultant/PSC.
- Upon receipt of the purchase request, Business Office determines if the request requires PSC-approval.
- CON Business Office (Kevin Garland) sends Requester the appropriate documents to complete, including:
 - “Personal Service Contract Form - Proof of Necessity”
 - “Independent Contractor Form”
 - “Worker Status Form”

– and 1 of the 2 forms below –

 - “Personal Service Contract Form – Less than \$10K” (for PSCs valued at less than \$10,000)

– or –

 - “Personal Service Contract Form” (for PSCs valued at more than \$10,000)

Please note the following for PSCs over \$10,000:

- A competitive solicitation and UK contract is required.
- Contractors may not begin work until the contract is reported to the Government Contract Review Committee (GCRC).

- Requires signatures from the contractor, Office of Legal Counsel, Executive Vice President for Finance and Administration, and Chief Procurement Officer (signatures are completed by UK Procurement Services)
- Requester submits the appropriate forms above to the Business Office (CONOrders@uky.edu) for review and approval.
- Upon approval by the Business Office, CON Business Office authorizes Requester to send the appropriate forms below to the consultant/PSC for their signatures.
 - Independent Contractor Form
 - Personal Service Contractor Form (either \$10K or less than \$10K as appropriate)
- Upon receipt of the above forms (with signature), Requester sends all 4 signed forms to the CON Business Office (CONOrders@uky.edu).
- CON Business Office (Kevin Garland) sends all completed and signed forms (Independent Contractor Form, PSC Contractor Form, Proof of Necessity Form, and official quote) to UK Procurement Services.
- **Please allow for at least 30 days for UK Procurement Services to fully approve PSC forms given the processing requirements of the Commonwealth of Kentucky outlined on page 1.**
- Upon UK Procurement Services approval of the PSC, CON Business Office will authorize Requester, via email, to initiate services with the consultant/PSC. Do not initiate work with the consultant/PSC until UK Procurement Services and CON Business Office approvals have been received.
- CON Business Office (Kevin Garland) will send consultant/PSC an email invitation via Payment Works to set up the consultant/PSC as a vendor in the system. Establishing the consultant/PSC as a vendor in Payment Works is required for payment. CON Business Office (Kevin Garland) is happy to assist consultant/PSC with this process, if needed.
- Per the terms of the PSC Contract, Requester will send the “Personal Service Contract Invoice Form” to the consultant/PSC for completion and signature. The consultant/PSC will need to complete its own invoice that will accompany the “Personal Service Contract Invoice Form.”
- Upon receipt of the Personal Service Contract Invoice Form and PSC invoice, Requester will send the form to CON Business Office (CONOrders@uky.edu). CON Business Office (Kevin Garland) will send the completed form to UK Procurement Services for payment.

Addendum

Notice of Amendment

- The Notice of Amendment is used to add additional services and/or increase the dollar amount of the contract.

- Requires signatures from the contractor, department, Office of Legal Counsel, Executive Vice President for Finance and Administration, and Chief Procurement Officer.
- Contracts cannot be amended for at least ninety (90) days after the contract was initially reviewed by the GCRC.

Notice of Extension

- The Notice of Extension is reviewed at a scheduled GCRC meeting.
- The Notice of Extension of Contract is used to extend a contract for an additional period of time.
- Requires signatures from the contractor, department, Office of Legal Counsel, Executive Vice President for Finance and Administration, and Chief Procurement Officer.
- It can only extend a contract that has not already expired.

Memorandum of Agreement

- Memorandum of Agreements (MOA) are only used for personal service contracts between in-state, public agencies such as other state universities or colleges, local education districts, the Commonwealth of Kentucky, or any local governmental agencies.
- A Proof of Necessity must be submitted with the Memorandum of Agreement.
- There is no standard Memorandum of Agreement form.

Helpful Tips

- Provide a complete and accurate description of the work to be performed.
- Be sure to avoid abbreviations or acronyms.
- Reference the RFP number on the Proof of Necessity form if it applies to the contract.
- Clearly identify the source of funds on the Proof of Necessity.
- Be sure to ask for sufficient dollar amounts. Contracts cannot be amended for ninety (90) days.
- An SRM Shopping Cart or SAP/ECC requisition is needed for a purchase order to be issued for payment.
- The procurement card or a PRD are NOT allowed for payment.
- Each department is responsible for obtaining signatures from the department and contractor.