Auraria Higher Education Center  
Policy #31 - Purchasing Personal Services

Procedure for Obtaining Personal Services

Colorado statute (24-50-501 through 514 C.R.S) and the Colorado Department of Personnel and Administration (DPA) Personnel Rules, Chapter 10, govern the procurement of personal services, personal services reviews, and waivers from the review process. Through its regulatory powers, DPA requires the Auraria Higher Education Center (AHEC) to adopt and disseminate policies and procedures establishing a Personal Services Review Program.

The State Personnel Rules under which AHEC must operate were restated in 2012 and otherwise modified in 2013; however, the concepts are similar to those that have been in place for a number of years. Services requiring review include those acquired through contracts, purchase orders, purchase requisitions and invoices.

AHEC is obligated to establish a Personal Services Agreement Review program on campus and retain on its staff a certified reviewer. A component of AHEC’s program will include waivers from the review requirement when the contract meets certain specific statutory exceptions. The waiver component of the program must be proposed by AHEC to the Colorado Department of Personnel and Administration and approved by DPA in order for it to be used on campus.

24-50-502 C.R.S. provides definitions for the following terms:

**Contract**: Any type of state agreement, regardless of what it may be called, for the acquisition of services.

**Personal Services**: Services acquired for the State’s direct benefit in its operations.

**Purchased Services**: The acquisition of services which directly benefit specific groups or individuals in the public at large as defined by law from public or private entities licensed, certified or otherwise authorized by statute to provide such services.

**Services**: The furnishing of labor, time or effort.

It is the policy of the AHEC to assure that procurement of all services is made consistent with the requirements of Colorado Statutes, Fiscal Rules, and State Personnel Rules. All AHEC employees who procure services for the agency are required to do so in accordance with the procedures that have been established by AHEC and in concert with the requirements of statute and state rules.

If services are procured or authorized by AHEC employees contrary to this policy and its procedures, the costs of the services performed may be personal expenses of the AHEC employee who authorized the performance of the work. Such costs, under statute [C.R.S. 24-30-202 (1) or (3)] and State Controller Policy “Managing Commitment Vouchers That Violate State Statutes,” are not allowed for payment or reimbursed by AHEC.
The following procedures are intended to describe the process of obtaining personal services and implement the steps needed in order to conform to the requirements mandated by legislation and state rules.

All purchase requisitions for personal services over $5,000 must be accompanied by a completed Certification for Personal Services Agreement form including all required supporting documents UNLESS A WAIVER EXISTS (see Waivers from Personal Services Agreement Review section below). In all cases, a Personal Services Business Case form must be attached.

Services acquired through this Certification for Personal Services Agreement process require formulating and documenting the business case for entering into the contract. The business case must contain an analysis of accountability, cost and quality. For your convenience, the example business case provided in the fillable form can be customized for each individual case.

The certification must include a thoughtful analysis of the potential impact on the state personnel system. At a minimum, the analysis should consider the following questions:

1. Is the predominant purpose of the contract to acquire labor, skills, creativity or judgment, as opposed to property?
2. If the contract involves equipment, materials, facilities, or maintenance and operational support services, is the need sufficient to justify hiring permanent employees and purchasing capital equipment?
3. Is the need for service resulting from a temporary need for a finite period of time?
4. Is the need for service an occasional need that is seasonal, irregular, or fluctuating in nature?
5. Does the contract cover an urgent need for immediate action to protect health, welfare, or safety of people and property?
6. Does the contract cover a need for services to meet an externally imposed deadline beyond AHEC’s control?

Waivers from Personal Services Agreement Review

Certain contracts for personal services are eligible for a waiver from the normally required personal services agreement review. These waivers allow the purchase of services without the person initiating the purchase or contract having to perform the full business analysis. The AHEC Personal Services Waiver in Appendix A that follows, contains specific waivers that may be used by AHEC employees in the securing of certain services.

Services cannot be performed nor can contracts be issued prior to a waiver being established.

To use a waiver, you must complete the Personal Services Waiver Form
1. Input the requisition number and amount
2. Select Personal Service Waiver Category found in Appendix A.
3. A drop down menu with the waiver titles will appear.
4. Select the applicable Waiver.
5. A pop-up box with the complete waiver description, along with the applicable statute will appear when a selection is made. Click “OK” or hit ENTER to close the dialogue box.
6. An example “Personal Services Business Case” is included in the body of the form and can be edited to reflect specific information supporting the decision to contract for services.
7. Complete the bottom portion of the form.
8. Please note: if Human Resources review is required the “HR signature” line will appear under the “Requestor Name” field. Please forward to HR when complete.
9. The Review/Approval Criteria page must accompany the Personal Services Waiver, however no action is required as the form automatically fills in the appropriate statutory criteria.

The Personal Services Waiver form must be attached to all contracts, purchase orders, and purchase requisitions that are sent to Purchasing for processing and payment under the waiver.

Some waivers are granted by other state agencies and AHEC does not have the authority to grant these waivers. For example, these would include services for printing, artwork, graphic design, copying, microfilm, imaging, mail services, telecommunication services, training and facilitation services. A partial list of state services that require external waivers can be found in Appendix B Prior Approval Checklist site. Please work with HR and Purchasing when requesting these types of services.

The waiver of successive approval is limited to the services listed in Appendix A as well as other waiver conditions. If Appendix A does not cover a particular service(s), the requesting department MUST submit an official “Certification for Personal Services Agreement Form” from Department of Personnel and Administration’s website along with all supporting documents and materials to the Human Resources Office for review and approval. Please note: services waived in Appendix A are valid only for those agreements and as long as the acquisition of those services does not cause the separation of State Classified staff.

All personal services contract activity will be reported through the state’s Financial Data Warehouse for the Personal Services Annual Report in accordance with C.R.S. 24-50-510. In addition, all personal services agreements must contain the mandatory independent contractor clause listed in the Director’s Rule 10-4(E)(4) included in the contract terms established by Purchasing.

All commitment vouchers issued under this waiver must comply with State Fiscal Rules, State Procurement Rules and the Capital Construction Accounting Guidelines. Furthermore, all statutes governing Capital Construction and all policies issued by the State Controller’s Office and State Division of Purchasing concerning the use of purchase orders and contracts must be followed.

The Human Resource Department will review compliance with this waiver. All agency employees are expected to comply with all conditions of this waiver and the applicable personnel rules. The Human Resource Department reserves the right to revoke this waiver of successive approval for failure to adhere to all conditions and requirements of this waiver. For questions regarding contract review for personal services as outlined in Chapter 10 of the State Personnel Rules, please contact the Auraria Human Resource Department at (303) 556-3384.