



COMPTON COMMUNITY COLLEGE DISTRICT  
ADMINISTRATIVE PROCEDURES

AP 6341C Personal Services Agreement

ISSUED: MARCH 15, 2010  
REVISED:

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- I. **Purpose:** To provide for professional or technical services work that is less than \$15,000 in total expenditures to a single consultant, a partnership or corporation for a specific minor project that is infrequent, unique, primarily noncompetitive in nature, and where the work can be completed within the current fiscal year.

II. **General Requirements**

A. A Personal Services Agreement (PSA) is a legally binding contract developed between the District and the contractor for the completion of a specific project. As such, each PSA must be prepared in such a manner that it establishes clear terms and conditions of the work to be performed within parameters allowed by law and District policy.

1. PSAs are ratified by the Board of Trustees after the Personal Services Agreement is processed and the work is satisfactorily completed.
2. Each Division Head is responsible for verifying sufficient funds exist in the appropriate account to cover the cost of the work to be done. If necessary additional funding is needed, the Division Head works with the College Business Officer (CBO) in transferring the needed additional funds or reducing the size of the project to that which can be paid. A PSA cannot be processed unless (or until) funds are available in the appropriate line-item.
3. Personal Services Agreements cannot be:
  - a. Changed once issued. If a change should occur, the original order must be cancelled and a new document issued.
  - b. Issued to any company in which the employee has an interest.
  - c. Issued as a “confirming” agreement or “pay in advance” transaction.
  - d. Used as a means for avoiding splitting contracts in violation of California Public Contract Code 20657.
  - e. Used for the sole purchase of goods as a means of circumventing routine purchasing. A PSA may, however, include reimbursement of contractor expenses providing that the expenses are necessary to provide services.
  - f. Used if the year payments to a single contractor will be in excess of \$15,000.
  - g. Used to hire an employee. If an employee is needed, an extra or additional assignment should be processed.



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- h. Used in place of hiring regular full-time, part-time, or temporary employees or to create a situation where an employer-employee relationship exists.
4. PSA's received after the current fiscal year's cut-off date for processing published by Business Services will be held for processing in the next fiscal year's budget.
5. Personal Services Agreement Scheme: PSA#####
6. Allowable Object Code: 55133 PSA Contract Services

**B. Document Requirements**

1. **Primary Document:** Requisitions, regardless of funding source, are initiated by the Division Head based on program need. During processing, the requisition is subsequently converted to the formal PSA. Once issued, this document cannot be changed.
2. **Supplemental Documentation:** Contractors desiring to do business with the District are required to submit supplemental documentation as required by law. The required documents are attached to the PSA when it is sent to the contractor for approval (signature).

**C. Estimated Overall Processing Timeline:** One business week (five business days).

III. **PSA Processing:** This process is initiated directly by the Division Head. Table AP 6341C-1, Personnel Assignment Processing, below, shows a PSA's basic processing requirements. Procedural details follow this table.



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<b>TABLE AP 6341C-1 PERSONAL SERVICES AGREEMENT PROCESSING SUMMARY</b>			
<b>STEP</b>	<b>RESPONSIBLE PARTY</b>	<b>ACTION</b>	<b>NOTES</b>
1.	Division Head <sup>1</sup>	Division Head initiates PSA.	<ul style="list-style-type: none"> <li>• Sufficient funds must be available in the appropriate account prior to submission to the Purchasing Agent.</li> <li>• Formal proposal is not required as part of the process.</li> <li>• Record of quote process kept.</li> </ul>
2.	Division Head	Contractor formally agrees to PSA terms, conditions, and price.	<ul style="list-style-type: none"> <li>• Written signature on FOA and supplemental documents required.</li> <li>• Fax transmission allowed.</li> </ul>
3.	Chief Business Officer	Formally agrees to FOA.	<ul style="list-style-type: none"> <li>• Original signature required.</li> <li>• Pre-designated alternate acceptable during absence</li> </ul>
4.	Purchasing Agent	DataTel purchasing system creates Facilities Order Agreement Number.	<ul style="list-style-type: none"> <li>• Document number is added to FOA form: this number is used to track the document.</li> <li>• Copies of completed FOA sent to Facilities Department and contractor.</li> <li>• Original FOA retained in Procurement.</li> </ul>
5.	Contractor	Work described in FOA is done.	<ul style="list-style-type: none"> <li>• FMO “inspects” work and any needed corrections are made.</li> </ul>
6.	Division Head	Officially accepts work through standard industry/contractor “sign-off” process.	<ul style="list-style-type: none"> <li>• Contractor paperwork retained in FMO until invoice received.</li> </ul>
7.	Contractor	Invoices District.	Invoicing instructions are on FOA.
8.	Division Head	Initiates payment processing.	<ul style="list-style-type: none"> <li>• Approves payment directly on invoice.</li> <li>• Provides invoice and “sign-off” document to Accounts Payable.</li> </ul>
9.	Chief Business Officer	Recommends FOA Board Report ratification list.	<ul style="list-style-type: none"> <li>• Lists only fully completed FOAs.</li> </ul>
10.	Board of Trustees	Ratifies the agreement(s).	<b><i>Steps 7, 8, and/or 9 may be handled simultaneously with Step 10.</i></b>
11.	Accounts Payable	Authorizes payment processing with LACOE.	<ul style="list-style-type: none"> <li>• Reviews transaction completeness.</li> <li>• Notifies FMO of any deficiencies.</li> </ul>
12.	LACOE	Reviews transactions, prepares checks, and returns all to Accounts Payable.	Process generally takes three business days. May take substantially longer if transaction appears inappropriate.
14.	Accounts Payable	Mails check to contractor.	Files documents.
<sup>1</sup> Division Head = Manager of an areas with a PSA budgeted line-item. <sup>2</sup> PSA = Personal Services Agreement <sup>3</sup> LACOE = Los Angeles County Office of Education			



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A. **Division Head** (*Requisition for Personal Services Order*)

1. The nature of a project, the District's ability to perform the needed work; and available funding, the Division Head determines when a Requisition for a Personal Services Agreement is the most appropriate means for completing a project.
2. The following information must be provided on the Requisition before transmission to the Business Office:
  - **Contractor Section:** Name, Address, Telephone Number, Fax Number
    - **Note:** Division Heads cannot enter new vendors into the DataTel system. Consequently, when a new vendor is used, the Purchasing Agent, Business Office physically handles entering new vendors into the computer system.
  - **Name and signature of departmental employee submitting the order.** Unless a project supervisor or contact person is specifically designated in the Description / Scope of Work area, this individual is, by default, considered the contact person.
  - **Requisition Number:** DataTel generated number
  - **Amount:** Total dollar amount of the contract oftentimes referred to as the "consideration." This amount can never exceed \$15,000 and must include all applicable sales taxes, service/handling and/or delivery charges, etc. Itemize individual costs as either a deliverable, as part of a payment schedule based on a rate per hour or per month, or both, in the Scope / Description section.
    - **Note:** When determining the contract's dollar amount and payment terms ask yourself "If the contract terminates for any reason prior to completion, how would the District (or a court) be able to determine (a) what portion of the services were provided and (b) how much is the contractor owed for those services?"
  - **Date:** Date the requisition is entered into the DataTel system by Facilities, Maintenance, and Operations staff.
  - **Payment Terms (aka Invoice Payment Terms):** The terms specified on the FOA are expected to be the same as the terms on shown on the contractor's invoice in the abbreviated form. Table 6341B-4, Common Payment Term Abbreviations, below, identifies common payment terms that are feasible for the District to handle.—Table 6341C-2, Common Payment Term Abbreviations, below, identifies common payment terms that are feasible for the District to handle.



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<b>TABLE 6341B-2 COMMON PAYMENT TERM ABBREVIATIONS</b>		
<b>TERM</b>	<b>DEFINITION</b>	<b>PROCESSING NOTES</b>
Net monthly account	Last date of month following the one in which invoice is dated.	Feasible when District processes and timelines are followed.
Net [number]	[number] days after invoice date	Example: Net 30 Feasible when District processes and timelines are followed.
EOM	End of Month	Feasible when District processes and timelines are followed.
[number] % [number] Net [number]	[number] is the percent discount if payment is received within [number] days, otherwise payment is due 30 days after the invoice date.	Example: 1% 10 Net 30 District processing timelines generally preclude receiving such discounts. <sup>1</sup>
CIA ( <i>Not Allowed</i> )	Cash in Advance  Pay in Advance	The District cannot pay in cash.  The District cannot pay in advance.
Stage Payment	Payment of agreed amounts at stages.	Identify payment schedule in Description / Scope of work or as an additional page.
<sup>1</sup> Unspent funds arising from discount return to department's budget. <sup>2</sup> The "pay in advance" process is typically limited to license fees, unique parts purchased out of state, etc. not to the actual or routine work performed.		

- **Confirmed With:** Name of the contractor's employee who confirmed the price. This name is often, but not always, the same as the name shown in the Attention line.
- **Start Date:** Identifies date when work is authorized to start.
  - **Note:** Work started before this date is considered unauthorized unless the Chief Business Officer or Executive Officer authorize, in writing, emergency processing. Consequently, the start date is customarily at least the same day as the Requisition rate.
- **End Date:** Identifies when the District and contractor have agreed the work is to be finished. This date may be the same as the Start Date and may not be later than the last day of the fiscal year.
  - **Note:** If services are to be rendered on one (1) day, repeat the start date in the end date field. Do not leave the end date blank.



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- **Note:** Depending upon the nature of the contract, it is a good to allow a few “grace days” to cover unexpected delays which can arise due to unexpected events such as inclement weather, major college activities or maintenance, equipment interruptions, etc.
- **Charge Account:** Identifies the account where funds are budgeted, available for encumbering, and available to pay the contractor.
- **Remarks:** Identifies any information affecting processing or delivery, e.g., special instructions such as, “Contractor to pick-up contract.”
  - If services are required by Statute, provide statutory or municipal code reference, e.g. AQMD Rule 308 ECRP Consultant Services.
- **Description / Scope of Work:** Gives the full and complete details that needs to be done, specifies exactly what is to be provided by the contractor, and exactly, if anything, is expected of the District. This section is expected to vary according to the nature of the Agreement. Basic principles are, however, applicable to ensure the contract is precise, complete, and clearly conveys the concepts and expectations as to who is to do what by when and how. Table AP 6341C-3 Vague vs. Concise Contract Terminology, provide examples of concise contract terminology to use in the Description / Scope of Work.

TABLE AP 6341C-3 VAGUE VS. CONCISE CONTRACT TERMINOLOGY	
VAGUE	CONCISE
<i>Provides contractor with discretion.</i>	<i>Provides contractor with an obligation.</i>
“is designed to” or “may”	“will” or “shall”
“should include”	“will include”
“are anticipated to”	“will be”
“a variety of”	List examples.
“Design improvement”	Design to ADA standards
“assist”	“Collaborate” and provide a clear scope of the contractor’s responsibilities.
Using no limiting factors	“up to” or “not to exceed” or “a maximum of”



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- **Completion of enclosed supplemental forms required.** This box is “permanently” marked and identifies forms required by the Business Office with each PSA regardless of vendor status with the District. Depending upon the complexity of the work to be done, this section should contain some, if not all, of the elements listed in Table 6341C-5, Description / Scope of Work Contract Elements on the next page. The forms should be listed in the cover letter or PSA Description / Scope of Work area as either an enclosure or attachment. Each form must be received in the Business Office prior to completion of the PSA. Table AP 6341C-4, Required Supplemental Contractor Forms, lists these forms and their purpose.

TABLE AP 6341C-4 REQUIRED SUPPLEMENTAL CONTRACTOR FORMS <sup>1,2</sup>		
FORM TITLE	PAGES	PURPOSE
• Affirmative Action Status Code	2	Comply with statutory requirement
• Independent Contractor or Employee?	2	Assist with contract preparation.
<sup>1</sup> Supplemental forms listed as an <u>enclosure</u> are not included in the PSA’s pagination. When, however, supplemental forms are listed in the contract as <u>attachments</u> , document is identified as Attachment _ and each page of the supplemental form is included in the PSA’s pagination. <sup>2</sup> If the contractor is not a United States citizen, additional documents are required. Call the Purchasing Agent to determine the appropriate documents needed to pay the contractor.		

- **Additional \_\_\_ page(s) attached.** This box is marked when the nature of the work requires additional pages so that projects “Description / Scope of Work” is full and complete. The number of pages in this attached should be identified, e.g., Additional 1 page(s) attached; Additional 3 page(s) attached. Each of the additional pages should be sequentially numbered starting with page number 3.
- **Recommended By:** Division Head must sign and date each PSA submitted for processing. The signature must be an original. In the event both individuals are absent due to vacation, conference attendance, etc., the pre-designated alternate may sign. A copy of the written designation must be provided to the Purchasing Agent for audit purposes.



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<p align="center"><b>TABLE 6341C-5 DESCRIPTION / SCOPE OF WORK CONTRACT ELEMENTS</b> (Listed in Order Element is Customarily Itemized in Description / Scope of Work Area)</p>		
<b>CONTRACT ELEMENT</b>	<b>DESCRIPTION</b>	<b>EXAMPLE</b>
Description	Concise statement on the project's purpose.	Contractor will provide Red Cross Hands Only CPR Training to 25 employee members of the District emergency response team.
Contact Person	The district employee designated to coordinate the contractor's services and who is responsible for approving contractor's invoices for payment.	Employee Name Job Title District Telephone Number Office Building/Room Number
Scheduling	When applicable, identify when work is to occur	Event date and time(s)
Deliverables Schedule	Specific work to be done and by when.	Publication of survey required by [date].
Acceptance Criteria	How will the District determine if the project or service is acceptable, e.g., what criteria will be used to state work is acceptable.	
Special Requirements	Identify any specialized requirements (degrees or certifications) for personnel, specialized hardware, software, etc.	<ul style="list-style-type: none"> <li>• Certified Public Account (CPA)</li> <li>• Licensed Medical Doctor or Nurse Practitioner</li> <li>• MCSA Certified</li> </ul>
Expenses	Identify who is to pay for specific items associated with the contract.	<ul style="list-style-type: none"> <li>• Unless specifically provided for in writing, consultant shall assume all expenses, including but not limited to travel expenses and overhead.</li> <li>• Airfare, lodging, meals, and parking to be paid by the District. Costs of which not to exceed \$. Original receipts required for reimbursement.</li> </ul>
Contract Price	<ul style="list-style-type: none"> <li>• Fixed Price Agreement <i>or</i></li> <li>• Time and Material Charge</li> </ul>	<ul style="list-style-type: none"> <li>• Total Agreement Price is \$_____.</li> <li>• Time and Materials Agreement based on estimated material charges \$_____, Time to be billed at \$_____ per [hour]. <i>The actual amount of time and materials may not exceed the agreement amount.</i></li> </ul>
Payment Schedule	State a rate payable by the day, hour, or discreet task. If payment is by the day, identify the hours in the day, e.g., 8 hour day.	<ul style="list-style-type: none"> <li>• Consultant shall be paid for services, at a rate of \$_____, upon receipt and approval of itemized monthly invoices.</li> <li>• Consultant shall be paid on a cost-reimbursement basis..</li> </ul>
Miscellaneous	List other issues which: <ul style="list-style-type: none"> <li>• are a legal requirement when work is being performed under specific circumstances;</li> <li>• if overlooked, could pose problem for project implementation or acceptance.</li> </ul>	<ul style="list-style-type: none"> <li>• Fingerprinting is required if contractor has contact with students under 16 years of age.</li> </ul>

<sup>1</sup> Obtain District "boilerplate" language from Purchasing Agent.





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**B. Business Office**

**1. Purchasing (*PSA Processing and Issuance*)**

Purchasing reviews Requisitions for compliance with policy and statutory requirements; appropriate contract considerations; and budget availability and, based upon this review, initiates one of the actions described in Table 6341B-6, Purchasing Agent Personal Service Agreement Requisition Review Actions, below.

<b>TABLE 6341B-6 PURCHASING AGENT PERSONAL SERVICES AGREEMENT REQUISITION REVIEW ACTIONS</b>	
<b>STATUS</b>	<b>PURCHASING ACTIONS</b>
Criteria Met	<ul style="list-style-type: none"> <li>• Prepares official PSA. <sup>1</sup></li> <li>• Routes PSA to Chief Business Officer for approval.</li> <li>• Notifies Division Head that PSA is completed and ready to send to contractor.</li> <li>• Routes payable copy to Accounts Payable.</li> </ul>
<b><i>Policy / Statutory Audit Exception</i></b>	
<ul style="list-style-type: none"> <li>• Splitting <sup>2</sup></li> <li>• Supply or Equipment Purchase/Installation</li> <li>• Facilities Order</li> <li>• Over Dollar Limit</li> <li>• Missing/Incorrect Authorization</li> </ul>	<ul style="list-style-type: none"> <li>• Provides Division Head with previous PSA number(s) and a request to review and, if appropriate, to change vendors or process.</li> <li>• Processes as a purchase order and notifies Division Head of processing change.</li> <li>• Processes as a Facilities Order Agreement and notifies Division Head of processing change.</li> <li>• Notifies Division Head that transaction must be processed as a formal contract with formal bidding process.<sup>3</sup></li> <li>• Returns to Division Head for resolution.</li> </ul>
<b><i>Budget Line-Items</i></b>	
<ul style="list-style-type: none"> <li>• Incorrect Budget Line-Item</li> <li>• Insufficient Funds</li> </ul>	<ul style="list-style-type: none"> <li>• Consults with Division Head; may change account without returning document <sup>4</sup></li> <li>• Notifies Division Head of deficiency and requests budget transfer.</li> </ul>
<b><i>Technical Elements</i></b>	
<ul style="list-style-type: none"> <li>• Vague Scope of Work</li> <li>• Missing Data Elements</li> </ul>	<ul style="list-style-type: none"> <li>• Identifies deficiencies and assists with ensuring contract considerations are specific to protect District's interests.</li> <li>• Consults with Division Head; may initiate technical change without returning document</li> </ul>
<p><sup>1</sup> PSA = Personal Services Agreement  <sup>2</sup> In addition to violating California statute, LACOE can delay or stop payment to the vendor. Vendors contract with the District in good faith and such situations is to be avoided.  <sup>3</sup> Timeline with formal contract process is considerably longer. Work cannot proceed until contract is awarded.  <sup>4</sup> A record of the technical correction is noted in the FOA file.</p>	



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**2. Accounts Payable (Payment Processing)**

- a. Accounts Payable “matches” the invoice and “sign-off” document with the Requisition and Payable PSA on file and, based upon this review, initiates one of the actions described in Table 6341C-7, Payment Processing Actions, below.

<b>TABLE 6341B-7 PAYMENT PROCESING ACTIONS</b>	
<b>DOCUMENT STATUS</b>	<b>ACCOUNTS PAYABLE ACTIONS</b>
Match	Sends documents to LACOE <sup>1</sup> for warrant issuance. Logs transmittal date.
Does Not Match	Notifies Division Head of missing item(s).
Audit Exception Occurrence	Consults with Division Head <sup>2</sup>
Incorrect Invoice Submitted	Notifies contractor of issue and correction needed.
Insufficient Funds	Notifies Division Head and Purchasing Agent
<sup>1</sup> LACOE = Los Angeles County Office of Education <sup>2</sup> If substantial change in work performed is noted on invoice, current PSA may need to be cancelled and new document initiated..	

- b. Los Angeles County Office of Education (LACOE) reviews all request for payment for completeness of documentation, compliance with statutory requirements, and funding. Based on this review, one of the following actions occur:
- **Meets Requirements:** Warrant is prepared and sent to the District for distribution.
  - **Audit Exception Noted or Likely:** Contacts District and requests clarification.
  - **Funding Deficiency:** Contacts District and requests additional funding.
- c. Accounts Payable mails the warrant or releases warrants to the contractor. A log is maintained of all warrants received, mailed, and released.
- d. **Estimated Processing Timeline:** Three (3) business days.