

## Procedures to Establish a Personal Services Contract (PSC)

1. For contracts over \$10,000, please contact the Purchasing Department to determine if a Request for Proposal (RFP) or Single Source Justification is required. If required, the RFP process must be completed before proceeding with Personal Services Contract.

All Personal Service Contracts Must be submitted to the Commonwealth of Kentucky Legislative Research Committee (LRC), Government Contract Review Committee (GCRC).

- PSC's greater than \$10,000 MUST be submitted to the LRC GCRC prior to the start of work.
  - Contracts under \$10,000 may be submitted to the LRC GCRC within thirty (30) days of the start of work.
2. Advise the Contractor/Vendor of registration requirements. Vendors must be registered with the Secretary of State's Office and be in good standing (SOS registration does not apply to vendors being paid as individuals under an SS#). The Contractor/Vendor will also be required to complete a KSU Vendor Registration Form if they have not done business with KSU previously.
  3. Complete a Proof of Necessity (PON) form. All sections must be completed. The form must be signed by a KSU employee who is responsible for monitoring the contract work and reviewing Contractor/Vendor invoices for accuracy.
    - Care should be taken to provide complete information and descriptions on the PON and PSC forms. This information is used by the LRC Government Contract Review Committee (GCRC) to approve your contract.
    - Avoid acronyms and abbreviations unless they are defined in the documents. Inadequate or unclear information can lead to delays in the approval of a contract.
    - Submit contracts early to avoid delays. Approvals can take several weeks. The LRC GCRC meets only once per month, usually on the second Tuesday, to review all contracts submitted the previous calendar month
  4. Complete a "Personal Services Contract (PSC)" form. This form must be signed by the Contractor/Vendor and by a KSU employee who is responsible for monitoring the contract work. If your contract is with another KY state agency, please use the Memorandum of Agreement (MOA) form instead of the PSC form.
  5. Forward the completed PSC, PON, and Vendor Registration Form to the Purchasing Department. Include any additional backup documents such as Single Source Justification or RFP documents if required. You will be required to justify in writing using the PON form how the Contractor/Vendor was selected and that selection must meet procurement policy and procedure.
  6. Enter a purchase requisition into Banner to encumber the full amount of the contract for the fiscal year.

7. The Purchasing Department will review your contract documents, verify registration with the Secretary of State's Office, submit your contract to the LRC GCRC, and upon contract approval by that committee the KSU purchasing department will issue a purchase order. The KSU Purchasing Department will notify you if/when the contract and PO has been approved.
8. Work may begin when a purchase order is issued or when you have been advised that the contract has been filed with the LRC GCRC. Payments cannot be processed until the contract has been approved.
9. Invoices must be submitted with a completed "Invoice Form". The Invoice Form must be signed by the vendor and by the KSU person monitoring the contract work. If a grant funding source is used, the invoice must be approved by the Grant PI.
10. All changes to the contract must be submitted to the LRC GCRC on a PSC Renewal/Amendment/Extension form. Contracts cannot be amended within 90 days of the original submission unless the amendment is submitted with a "90 Day Letter" explaining the need for the amendment and why it was not considered in the original contract.
11. Notify the Purchasing Department when the contract is complete so that we can close the contract file and liquidate any encumbrance that may remain on the purchase order after final payment has been made.

#### ADDITIONAL NOTES

- Work may not extend beyond the contract end date without submitting a contract extension to the LRC GCRC.
- Contract dates may not cross biennial fiscal years. If work must continue into a new fiscal biennium, a contract renewal must be submitted.
- Payments may not exceed the original contract amount without submitting a contract amendment to the LRC GCRC.
- Rates for some types of services (legal, audit, auctioneer, and real estate appraisal) are restricted to Maximum Allowable Rates established by the LRC GCRC.
- PSC's may not be used to compensate any faculty/staff/student for any kind of work.