ERSO Internal Process for hiring Independent Contractors

Applicable policies:
Business & Finance Bulletin 43
Business & Finance Bulletin 77
PPSM policy 82 Conflict of Interest

SECTION I MUST BE DONE IN ADVANCE OF THE WORK PERFORMED

Section I: Setting up an Independent Contractor

STEP 1: Requestor (RSO) submits the following information to the ERSO HR Director:

1. Completed pre-hire worksheet (scroll to page 33 for the form)

2. Scope of work provided by the PI or the potential independent contractor. The scope of work should contain the following items:
   a. Statement of who will do the work
   b. Specific details of what work will be done and what deliverables will be submitted to the PI. The deliverables should be specific and well documented with a specific date each deliverable is due.
   c. Statement of where the work will be performed.
   d. Statement of how the work will be performed.
   e. A time table or payment schedule of when the deliverables will be submitted. (It is best to tie payment to deliverables)
   f. Total cost of the independent contractor, including a not to exceed dollar amount.

3. Complete the Sole Source Justification form (http://www.erso.berkeley.edu/files/purchasing/forms/Singlesource$10-49.9k.pdf) when the Independent Contractor agreement is >$10,000 and will be paid on federal funds.
4. The resume of the potential independent contractor. (This is good business practice and helps validate the expertise of the individual being proposed to do the work.)

NOTE: Requestor (RSO) should confirm funding is available and allowable on the project prior to submitting the request.

STEP 2: The HR Director reviews all material submitted.
The HR Director reviews the information to ensure that hiring the individual as an independent contractor is the most appropriate method of engagement and that hiring the individual will not violate any policies. The HR Director will secure the Deputy Director’s signature on the pre-hire worksheet and will return the signed form to the requestor (RSO).

STEP 3: The requestor (RSO) submits a purchase request and uploads the following to the ERSO purchasing database:
1. Signed Pre-Hire worksheet
2. Scope of Work
3. Independent Contractor’s resume
4. Independent Contractor’s address and phone number (if not on the resume)
5. Input requestor (RSO) contact information (name, address, email, and phone number) in the comments section.

STEP 4: ERSO Buyer reviews purchase request.
The ERSO Buyer will review the request including UC’s insurance requirement. The ERSO Buyer will coordinate with Risk Management to secure an insurance waiver if necessary. The ERSO Buyer will develop a professional services agreement and will determine the appropriate terms, conditions, and clauses to include protecting the University and will communicate directly with the independent contractor. Once complete the ERSO Buyer will create a purchase order. The ERSO Buyer will communicate with the requestor informing him/her of the PO #.
Section II: Paying an Independent Contractor

STEP 6: Independent contract performs work.
Independent contractor performs work and when complete sends the invoice to the requestor (RSO). The address will be indicated on the PO.

STEP 7: Requestor (RSO) confirms authorization from PI.
Requestor (RSO) secures written authorization from the PI that the deliverable(s) has been met as stated in the scope of work, confirms the invoice is correct, and that the PI authorizes payment.

STEP 8: Requestor (RSO) sends invoice to Disbursements.
The requestor (RSO) sends the invoice to disbursements referencing the PO # and annotates the invoice with “approved for payment.”

STEP 9: Disbursements creates the voucher for Requestor (RSO) approval.

STEP 10: Requestor (RSO) approves voucher and Independent Contractor is paid.

<table>
<thead>
<tr>
<th>TYPES OF INDEPENDENT CONTRACTORS</th>
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<tbody>
<tr>
<td>Common Services</td>
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<tr>
<td>Common service is defined as “common” when there are multiple sources of the service available and price comparison is required.</td>
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<tr>
<td><strong>EXAMPLES:</strong></td>
</tr>
<tr>
<td>Caterers</td>
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<tr>
<td>Building &amp; maintenance contractors</td>
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<tr>
<td>Security guards</td>
</tr>
<tr>
<td>Janitorial services</td>
</tr>
<tr>
<td>Event coordinators</td>
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<tr>
<td>Common equipment installation/repair</td>
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**NOTE:**
Consultant- A consultant provides services that are advisory in nature and provides a recommended course of action primarily regarding University administration or management. Hiring a consultant is NOT done through the Independent Contractor process. Hiring Consultants is done through a business contract from the Business Services office. Please refer to the ERSO HR Director if you need to hire a consultant.