

CONTRACTS - PERSONAL SERVICES

AP No. 6370

Board Reviewed: 08/16/2006; 05/11/2022

Page 1 of 5

I. Personal services contracts

A. The Rio Hondo Community College District may enter into personal services contracts to achieve cost savings when each of the following conditions are met:

1. It can clearly be demonstrated that the proposed contract will result in actual overall cost savings to the District;
2. The contractor's wages are at the industry's level and do not undercut District pay rates;
3. The contract does not cause the displacement of District employees;
4. The savings are large enough to ensure that employees will not be eliminated by private sector and District cost fluctuations that could normally be expected during the contracting period;
5. The amount of savings clearly justifies the size and duration of the contracting agreement;
6. The contract is awarded through a publicized, competitive bidding process;
7. The contract includes specific provisions pertaining to the qualifications of the staff that will perform the work under the contract, as well as assurance that the contractor's hiring practices meet applicable nondiscrimination standards;
8. The potential for future economic risk to the District from potential contractor rate increases is minimal;
9. The contract is with a firm; and
10. The potential economic advantage of contracting is not outweighed by the public's interest in having a particular function performed directly by the District.

B. Personal service contracts are also permissible when any one of the following conditions is met:

CONTRACTS - PERSONAL SERVICES

AP No. 6370

Board Reviewed: 08/16/2006; 05/11/2022

Page 2 of 5

1. The contract is for new functions mandated or authorized by Legislature to be performed by independent contractors;
2. The services are not available within the District or cannot be satisfactorily performed by District employees;
3. The services are incidental to a purchase or lease contract;
4. The policy, administrative procedure, or legal goals and purposes of the District cannot be accomplished through the regular or ordinary hiring process;
5. The work meets the criteria for emergency appointment;
6. Equipment, materials, facilities, or support services could not feasibly be provided by the District; or
7. The services are of an urgent, temporary, or occasional nature.

II. Professional experts

Contracts for the services of persons who qualify as professional experts may be let without competitive bidding. Professional experts are persons specially qualified to provide services and advise in financial, economic, accounting, engineering, legal, or administrative matters. They must be specially trained, experienced, and competent to perform the services required. Compensation for special services and advice from professional experts may be paid from available funds in the amounts deemed proper for the services rendered.

III. Independent contractors

To be an independent contractor, substantial conformance with the following conditions must exist:

- A. The contractor controls the way in which work is performed, both under the contract for the performance of the work and in fact;
- B. The contractor performs work that is outside the usual course of the District's business;
- C. The contractor is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed;

CONTRACTS - PERSONAL SERVICES

AP No. 6370

Board Reviewed: 08/16/2006; 05/11/2022

Page 3 of 5

- D. The contractor sets their own hours;
- E. The contractor is not restricted from taking jobs from other businesses at the same time that they are doing work for the District;
- F. No District employee has duties similar to the independent contractor;
- G. The District does not provide assistants to the contractor;
- H. The duration of employment is for a specific job, not for a specified period of time;
- I. The District does not furnish tools, training, or equipment to the contractor. Contractors should be able to perform their services without the District's facilities (e.g., equipment, office furniture, machinery, etc.);
- J. The contractor's investment in their trade must be real, essential, and adequate;
- K. The contractor has employer identification numbers with the Internal Revenue Service and the California Employment Development Department for reporting employer payroll taxes and employee wages;
- L. The individual is not presently employed by the District to do the same type of work;
- M. Contractors are hired to provide a result and usually have the right to hire others to do the actual work;
- N. Contractors are hired for the final result, and therefore should not be asked for progress or interim reports;
- O. Contractors are generally responsible for their incidental expenses;
- P. Contractors should be able to make a profit or a loss. Five circumstances show that a profit or loss is possible:
 - 1. If the contractor hires and pays assistants

CONTRACTS - PERSONAL SERVICES

AP No. 6370

Board Reviewed: 08/16/2006; 05/11/2022

Page 4 of 5

- 2. If the contractor has their own office, equipment, materials, or facilities
- 3. If the contractor has continuing and reoccurring liabilities
- 4. If the contractor has agreed to perform specific jobs for prices agreed upon in advance
- 5. If the contractor's services affect their own business reputation

Q. Contractors can't be fired so long as they produce a result that meets the contract specifications; and

R. Contractors are responsible for the satisfactory completion of a job or they may be legally obligated to compensate the hiring firm for failure to complete.

IV. Consultants

A. Consulting services refer to all services that:

- 1. Are of an advisory nature;
- 2. Provide a recommended course of action or personal expertise;
- 3. Have an end product which is basically a transmittal of information, either written or verbal; and
- 4. Are obtained by awarding a procurement-type contract, a grant, or any other payment of funds for services of the above type.

B. The product may include anything from answers to specific questions to design of a system or plan, and includes workshops, seminars, retreats, and conferences for which paid expertise is retained by contract.

V. Sources/references

A. Government Code Section 53060

B. Education Code Section 88003.1

CONTRACTS - PERSONAL SERVICES

AP No. 6370

Board Reviewed: 08/16/2006; 05/11/2022

Page 5 of 5

- C. Labor Code Sections 2775 et seq. and 3353
- D. Public Contract Code Section 10335.5