

STATE CONTROLLER POLICY

Personal Service Procurements

Interpretation of State Fiscal Rule 3-1 (1 CCR 101-1) concerning the use of state contracts for personal service procurements.

Background

Recently questions have been asked concerning the dollar limit that requires a state agency to use a contract rather than a purchase order when acquiring personal services. This policy addresses these questions.

Definition

For the purpose of this policy, mixed procurements are defined as purchases that include both commodities and services. An example is the purchase of a computer where a service agreement is included in the purchase price. Another example is the purchase of printing where the cost of printing design and layout services is included in the purchase price.

Policy

1. State contracts shall be used for personal service procurements when it is in the best interest of the State, regardless of the total amount of the purchase.
2. State contracts shall be used for personal service procurements in accordance with State Fiscal Rule 3-1.
3. State contracts shall be used for mixed procurements when personal services are priced separately and the personal services total more than \$25,000.
4. State contracts shall be used for mixed procurements when the personal services are not priced separately, the personal services are not incidental to the total purchase, and the total purchase exceeds \$25,000.



Arthur L. Barnhart
State Controller