

## How Do I Buy or Handle... *Consulting Services*

### **Description of Purchase Process:**

Consulting services are best defined as a specific line of inquiry to be researched by a person or company with specialized knowledge and experience. The usual result is a written report containing recommendations.

Section E-2 of [University Policy 3220](#), enables organizations to select and engage consultants investigating issues related specifically to academic and research programs. The value of total payments made to any single consultant should not exceed fifty thousand dollars (\$50,000) per year. This exemption to normal competitive requirements has been provided to streamline support to the academic and research functions of the university.

### **Additional considerations:**

- If the consulting is related to an administrative program, Section E-2 does not apply. Process a requisition to Procurement if the consultant fees are expected to exceed ten-thousand dollars (\$10,000) for the total project.
- Do not sign any contract document from a consultant unless it has been reviewed and approved by legal signature authority under [University Policy 3015](#).
- Obtaining the services of architects and engineers (A/E's) is specifically controlled and governed by [University Policy 5405](#). This policy requires that all engagements of A/Es be coordinated and managed by Facilities. The Direct Pay Policy and general delegation authority do not apply to engaging engineering or architectural consultants.
- University employees cannot be hired as consultants. They must be compensated through the payroll system.
- The expectation for the E-2 competition exemption is that the consultant will not have a long-term relationship with the university spanning numerous years or projects. If a long-term relationship is the expectation, then a term-contract should be enacted through the Procurement Department.



**Consultants and other service providers who are private individuals:**

If the consultant, or other prospective contractor, is a private individual (and not a company), an advance determination must be made if they should be paid as an employee or as an independent contractor. This applies at all dollar amounts. The university organization desiring to engage the consultant should obtain the “[Independent Contractor](#)” checklist from the Controller’s website:

Complete the form, and send it to the Controller’s Office for final determination. This determination will govern whether the consultant is hired as a P-14 temporary employee or is paid as an independent contractor. When processing payments for independent contractors, attach a copy of the completed checklist to each payment.

**For more information contact:**

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