

CONTRACTORS/CONSULTANTS SET UP

Revised December 17, 2020

DEFINITIONS

Independent Contractor: An independent contractor relationship exists when the University has the right to control only the result of the service, not the manner of performance. Independent consultants are a special type of independent contractor. In other words, the University has the right to control only the result of the service (i.e., the end product), not the manner of performance (i.e., time, place and methods). Generally, an independent contractor performs tasks to execute the work.

Independent Consultant: Individuals not employed by, or organizations not part of, the University (at any UC Campus) who provide primarily professional or technical advice. Services provided are generally urgent, special, temporary and highly technical. Services are short-term and have a highly focused effort. The University does not control either the manner of performance or the result of the service. Generally, an independent consultant provides management advice or recommendations, typically in the form of a report, whether written or verbal.

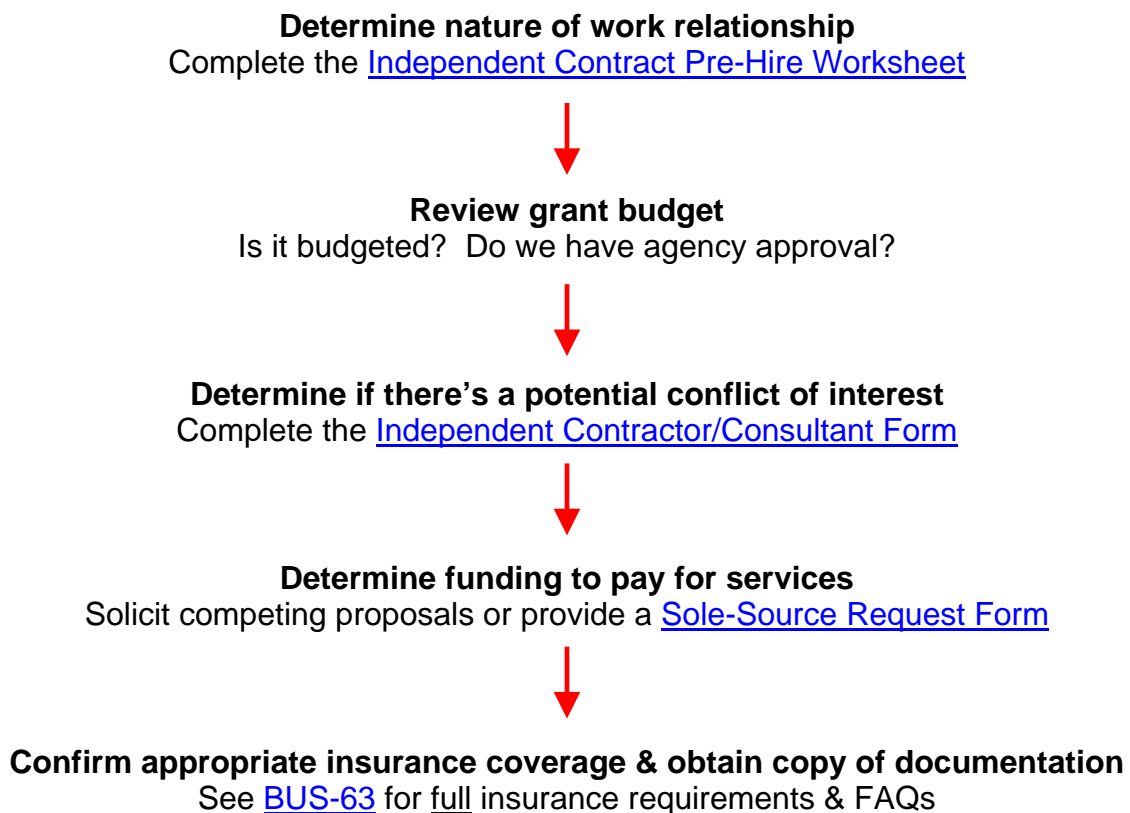
NOTE

Please be advised that work should not be performed without a signed P.O. or agreement issued by a Campus Purchasing buyer, because the Accounts Payable Department is allowed to make payments to a consultant or contractor against an executed P.O. and/or agreement ONLY.

HOW TO

Step by step instructions and additional resources can be found in Purchasing's "[How to Hire Independent Contractor, Consultant](#)". Below is a general flow chart of steps.

STEPS



Key required consultant/contractor insurance coverage amounts/details:

1. Comprehensive or Commercial form General Liability Insurance
 - a. Each Occurrence \$1 million
 - b. Products/Completed Operations Aggregate \$2 million
 - i. If the consultant is providing a product or completing installation of material
 - c. Personal and Advertising Injury \$1 million
 - i. For libel & slander claims or misleading advertising
 - d. General Aggregate (not applicable to the comprehensive form) \$2 million
 - i. Yearly policy limit on consultant insurance
 2. Business Automotive Liability Insurance – combined single limit \$1 million
 - i. If transporting goods or people or providing services using an auto on behalf of the Regents (other than a normal commute)
 3. If applicable, Professional Liability Insurance \$1 million
 4. Worker's Compensation: to meet the applicable statutory requirements
- Insurance certificate should list "The Regents of the University of California" as an additional insured under the GL coverage and Business Auto

Independent contractors and consultants may be eligible for a UC insurance product covering GL and professional liability exposure for \$500 a 12 month period. The University's insurance broker has arranged an insurance program to cover non-University parties. Insurance is available through [Campus Connexions](#).



Compile entire contractor/consultant proposal for submission to Campus Purchasing

Completed contractor/consultant proposal packet should include:

1. [Independent Contract Pre-Hire Worksheet*](#)
2. [Independent Contractor/Consultant Form*](#)
3. [Contractor/Consultant's CV or Resume – to document their expertise in providing the service*](#)
4. [Sole Source Request Form^](#)
5. [Copy of Comprehensive or Commercial General Liability Insurance Certificate\(s\)+](#)
6. Scope of Work – which includes
 - a. [Description of work to be performed/provided+](#)
 - b. [Period of Performance+ – should technically be a future period](#)
 - c. [Work Location+](#)
 - d. [Price Reasonableness – include hourly rate & # of hours for each task/requirement+](#)
 - e. [Source Selection^](#)
7. Contractor/Consultant Budget * ^
8. Contractor/Consultant Budget Justification * ^

* Provided by Fund Manager

^ Provided by PI

+ Provided by Contractor/Consultant



Create R class requisition in PAC/BruinBuy (BB)

Usually object code 3455

Request contractor/consultant's SSN & home address (where payment will be sent; cannot be PO Box) to set up VCK



Forward contractor/consultant proposal to Purchasing, referencing the requisition #



**PAC/BB Preparer will receive a QUE message from Purchasing with posted PO #
Usually C class**



Contractor/Consultant should reference posted PO # on all future invoices

INSURANCE EXCEPTION

Purchasing will need proof of contractor/consultant insurance. The alternative is to provide them with a waiver.

For steps in acquiring waiver to the insurance, go to:

<https://ucla.app.box.com/v/irm-request-waiver-liability>

Please note: Dept of Medicine will not assume responsibility for liability insurance.

AFTER-THE-FACT REQUEST

If the work took place before the requisition is issued, the department must complete the [Justification Form for After-the-Fact Purchases](#), obtain required approvals from Yanina Venegas and Anja Paardekooper and forward the form to Campus Purchasing. Payment cannot be guaranteed until Purchasing has approved the PO.