

EXTERNALLY CONTRACTED SERVICES

CJ (R)

INDEPENDENT
CONTRACTORS

Classification regarding independent contractors can have serious consequences and may lead to payment of penalties and interest to the Internal Revenue Service. The Internal Revenue Service has developed guidelines to assist in such decisions. The District also has developed local guidelines. District budget managers and supervisors who must determine whether an individual hired for a job is an employee or an independent contractor shall use these guidelines. [See [CJ \(E\)](#)]

PROCUREMENT
CONTRACTS

Contracts other than small purchases shall contain provision or conditions which allow for administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.

All contracts in excess of \$10,000 shall contain suitable provisions for termination by the grantee including the manner by which it shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

All contracts awarded in excess of \$10,000 shall contain a provision requiring compliance with executive order 11246, entitled "Equal Employment Opportunity", as amended by executive order 11375, and as supplemented in Department of Labor Regulations (41 CFR Part 60).

CONTRACT FILING
REQUIREMENTS

Original contracts for services and/or procurement shall be filed in the Accounting Department. It is the responsibility of district employees initiating contracts to insure that originals are forwarded to the Accounting

Department.

ISSUE DATE: 7/21/98