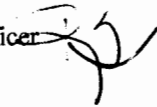




SCHOOL DISTRICT OF OKALOOSA COUNTY TECHNICAL ASSISTANCE MEMORANDUM PURCHASING

FINANCE TAM: 2014-007
CONTACT: Vince Windham
Program Director - Purchasing
TELEPHONE: 833-7668

TO: Principals/Department Heads/Bookkeepers
FROM: Rita Scallan, Chief Financial Officer 
DATE: August 26, 2013
SUBJECT: Service Agreement Procedures

The intent of this memorandum is to provide schools and departments with an explanation and clarification of the service agreement process and procedures which should be followed when contracting for professional services with independent contractors.

Definition:

A Professional Service is work performed by a person(s) engaged in "a calling requiring specialized knowledge and often long and intensive academic preparation." You would use a service agreement contract when contracting with an Independent Contractor for services such as: Staff Development, Program Evaluation Services, Curriculum Development, Direct Student Services (e.g. Psychological and other related services), Artistic Performances and Services, Educational Program Services, and related Consulting Services.

Types of Service Agreements

There are three School Board approved service agreement contracts for use by our schools and departments. You can download these service agreement contracts by visiting the Purchasing website under Department/Area Quick Links: Purchasing Information for Schools & Departments / Service Agreements. Using the form from the Purchasing website insures that you are using the most current version. The three types of service agreement contracts are listed below:

MIS 2124 - Independent Contractor Service Agreement
MIS 2125 - Independent Contractor Service Agreement for Law Enforcement
MIS 2127 - Independent Contractor Business Manager Service Agreement

Dollar Thresholds for Service Agreements:

- Professional services over \$1,000.00 (cumulative total for vendor for current fiscal year) require a service agreement contract. Contact Purchasing prior to contracting for professional services to see if the vendor has provided services at other schools during the current fiscal year to verify if a service agreement is required. Once a vendor has reached \$1,000.00 in a fiscal year a service agreement is required for all services from that vendor for the remainder of the current fiscal year. Use MIS 2124 for all professional services other than law enforcement security services.
- Law Enforcement Security Services require a service agreement contract for any contract amount. You would use this agreement when contracting for on-site security services for school sponsored athletic events and other programs and activities. Use MIS 2125 – Independent Contractor Service Agreement for Law Enforcement for these types of contracts.
- Once a vendor reaches the \$2,500.00 cumulative total in a fiscal year using district funds, School Board approval is required for all services for any amount to that vendor.

- Once a vendor reaches the \$5,000.00 cumulative total in a fiscal year using school internal funds, School Board approval is required for all services for any amount to that vendor.
- Some professional services may require quotes or bidding, this threshold starts at \$5,000.00. Contact Purchasing for assistance.

Who Can Receive a Service Agreement?

Service agreements are required when contracting for professional services with independent contractors per the threshold requirements above. Service agreements are always required when contracting with individuals or sole proprietors. Service agreement contracts are not required when contracting for professional services with corporations but may be used if needed. In many cases professional services with corporations may involve a contract from the vendor or may be contracted through purchase order only if the scope of services is easily defined. Current district employees are not eligible for service agreements as you cannot be an independent contractor and employee of the district at the same time.

Procedures for completing Service Agreements

- Service agreements should be completed and emailed as an attachment to Irene Dahnke in the Purchasing Department. Email: dahnkei@mail.okaloosa.k12.fl.us. Make **sure** that your Principal or Department Head is aware of the service agreement before submitting to Purchasing.
- Service agreements that do not require School Board approval should be emailed at least three (3) weeks prior to the beginning date of service to allow for the review, processing and approval of the service agreement.
- Service agreements that require School Board approval should be submitted at least three (3) weeks prior to the “Deadline for Submitting Items Date” included on the School Board Meeting Schedule. The School Board meeting schedule can be found on the Okaloosa County School District Home Page. If you are unsure if a service agreement will require School Board approval please contact the Purchasing Department at 833-5845.
- Complete all of the grey areas of the service agreement. Be sure and give a broad detailed scope of work as to what type of services the company or individual is providing.
- The Purchasing Department will review the service agreement. If there are any changes or clarifications needed you will be contacted.
- Once the service agreement is correct it will be assigned a number and protected so no further changes can be made. The Purchasing Department will then proceed with getting the required approvals from the Purchasing Program Director, School Board Attorney, Chief Financial Officer and the School Board (if required) before proceeding with the contract.
- After all of the required approvals are received the service agreement will be emailed back to the end user, School Bookkeeper and Principal. The School/Department will then be instructed to print two copies of the service agreement and have the Provider sign both. Two (2) signed original service agreements are required. Make sure that the witness signatures are also completed. Once they have been signed, the two signed original service agreements need to be sent immediately to the Purchasing Department (by courier).
- When the Purchasing Department receives the two signed originals the approval signature(s) will be collected. The fully signed executed copy of the service agreement will be sent to the School Bookkeeper with a memo stating the Service Agreement has been approved.
- It is the responsibility of the School or Department submitting the service agreement to make sure that the Independent Contractor (Provider) complies with all fingerprinting and badging requirements.
- If using budgetary funds – the individual responsible for putting requisitions online does not have to wait until the fully signed copy of the Service Agreement comes back to you. The requisition can be entered immediately and will be approved in Purchasing when the Service Agreement has gone through the proper procedures and has been approved. After the description on the requisition the following statement should be added “All terms and conditions apply to the S.A.# ____ (provide the S.A. #) and if it was School Board Approved “School Board Approved ____/____/____ (provide the date).

Should you have any questions or need additional information, please contact the Purchasing Department, at 833-7668.