

Contractual Services

Section 4:10 Revised 01/01/2001

Contractual Services shall mean work performed by an independent contractor requiring specialized knowledge, experience, expertise or similar capabilities wherein the service rendered does not consist primarily of acquisition by the State of equipment or materials. For the purpose of clarification, equipment service contracts are contractual services and subject to the rules and regulations herein.

The following types of services shall be exempt from adherence to procedures for securing contractual services:

1. Services provided by individuals by direct employment contracts with the State.
2. Public utility services (gas, water, and electricity).
3. Telephone, telegraph and cable services furnished by utility companies.
4. Services provided which are subject to published tariff rates as established by the Interstate Commerce Commission.
5. Services which are merely incidental to the purchase of supplies, materials or equipment.
6. Contracts for construction of and structural changes to public buildings.
7. Personal services provided by doctors, dentist, attorneys, architects, professional engineers, scientists, or performers of the fine arts. A personal service shall be interpreted to be the occasional or temporary use of an individual's professional skills to perform a professional task.
8. Services provided directly by an agency of the State, Federal or Local Government, or their employees when performing the service as a part of their normal governmental function.
9. Any other service designated to be exempt by the State Purchasing

Officer, or his authorized representative.

It is the general policy of the University to acquire contractual services by seeking competition. The final decision-making authority in regard to any phase of procurement or performance of any contractual service is the Purchasing Department.

Before a department of the University shall seek to obtain a contractual service, it shall make all of the following determinations: that funds are available to cover the total cost of the service; that the desired level of quality of the service is adequate and reasonable for the purpose intended; that all rules, regulations and procedures referred to herein have been or will be complied with; and that obtaining the service is in the best interest of the University.

After all determinations listed above are made, they shall be incorporated into a letter of justification and forwarded to the Purchasing Department. Once approved, the Purchasing Department will take necessary action to secure the requested services, either by competitive bidding or negotiation.

When lump sum equipment service contracts are executed, the requesting department is paying for a service that may or may not be performed. Therefore, nothing of value is received until such time as an equipment failure occurs or contractual preventive maintenance is performed. The signature of the buyer on the Purchase Orders written for lump sum equipment service contracts is authority for the Accounts Payable clerk to pay the invoice.

Most equipment generally requires service to continue in proper operating condition.

For equipment which cannot be serviced on campus such as specialized scientific apparatuses, it is often most economical to arrange for a service or maintenance contract with the manufacturer or service agency. The cost of service on this equipment, which must be borne by the using department, usually includes charges for the service call, labor, and parts each time repair or maintenance is required. Parts are usually covered in a service contract; thus the savings on service calls and labor charges can make the lump sum payment for a service contract very reasonable.

As indicated in Section II, No. 50, service contracts are secured as a contractual service and may be initiated by submitting a Purchase Requisition (see Appendix Statement No. 7) to the Purchasing Department, in addition to a justification memorandum. Service contracts are normally automatically renewed by the Purchasing Department and notification is sent to the using department.

Once equipment is covered on a service contract, service may be acquired by calling the Purchasing Department.

UNC Charlotte currently has the following service contracts in effect:

1. Office Machine Repair
2. Rodent and Pest Control
3. Elevator Repair