

## **How to Buy Services from Individuals** <sup>[1]</sup>

This commodity covers services that are performed by individuals and not by companies. A company operates under a Federal Employer Identification Number (FEIN). An individual is a person or a sole proprietor of a business who operates under a Social Security Number.

**Note:** The procedure for procuring professional services from companies varies from that for obtaining services from individuals. For information on those procedures, see [How to Buy: Professional Services from Companies](#) <sup>[2]</sup>.

### **Procurement Options and Procedures**

Documentation to confirm pricing is required for all requisitions.

- **\$10,000 or less:** Submit a Purchase Requisition through the CU Marketplace. If a contract is required on your \$10,000 or less printing/print services purchase, please have this signed before creating a requisition. This is done by creating a Small Dollar Contract request via Marketplace. Once you receive your signed contract back, please create the requisition and attach the signed contract to it. For step-by-step instructions on how to create a Small Dollar Contract request, please click [here](#). <sup>[3]</sup>
- **Above \$10,000:** Submit a Purchase Requisition through the CU Marketplace. Attach any contract needed to this requisition and it will be facilitated and signed by the PSC before approval.
- **Documentation Your Purchasing Agent Needs Up to \$100,000:** A quote, scope of work, estimate, pricing sheet, or contract if a contract is required by the supplier. As of January 1, 2023, any purchase requisition for Print Services total \$10,000.01 - 100,000 or more that is submitted for approval (or submitted prior to December 31 2022, but not yet approved), must have an accompanying [Source Selection and Price Reasonableness form](#) <sup>[4]</sup>.
- **\$100,001 - \$500,000, or above \$10,000 if using federal funds:** Competition via Documented Quote process, or Sole Source Justification and the documentation to confirm pricing.
- **Over \$500,000:** Competition via Invitation for Bids or Requests for Proposals, or Sole Source Justification and the documentation to confirm pricing.

### **Scope of Work (SOW) Review**

Prior to the commencement of any work, the department completes the [Scope of Work \(SOW\) form](#) <sup>[5]</sup> and the proposed service provider signs it. The completed form is reviewed by Employee Services to determine the nature of the relationship between the individual and the University. If the individual will function as an independent contractor, payment can be made

through the PSC. If an employer-employee relationship will exist, payment must be made through Employee Services (payroll).

Detailed guidance and contact information for the SOW review process is available in the Employee Services Procedural Statement <sup>[6]</sup> Scope of Work (SOW)/Independent Contractor <sup>[7]</sup>.

## Sustainability Information

### Choose:

- Small, local, and minority-owned businesses (SLMOBs)
- Suppliers that respect fundamental individual and employee rights and are committed to adopting responsible practices

## Purchasing Agent

**Katie Wilson**

- **Email:** Katie.Wilson@cu.edu <sup>[8]</sup>

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**Source URL:** <https://www.cu.edu/psc/how-buy-services-individuals>

### Links

<sup>[1]</sup> <https://www.cu.edu/psc/how-buy-services-individuals> <sup>[2]</sup> <https://www.cu.edu/psc/how-buy-professional-services-companies> <sup>[3]</sup> <https://www.cu.edu/psc/cu-marketplace-how-small-dollar-contract-request-form>  
<sup>[4]</sup> <https://www.cu.edu/doc/source-selection-and-price-reasonableness-formpdf>  
<sup>[5]</sup> <https://www.cu.edu/psc/forms/scope-work-sow> <sup>[6]</sup> <https://www.cu.edu/psc/collaborative-hr-services/cu-campuses/scope-work-sow/employee-services-procedural-statement>  
<sup>[7]</sup> <https://www.cu.edu/psc/procedures/scope-of-work-independent-contractor> <sup>[8]</sup> <mailto:Katie.Wilson@cu.edu>