



## Personal Services Agreements

One of the state's primary procurement mechanisms, a PSA is a contract that defines the services or end products to be delivered for a fee to a state agency by a contractor. PSAs are typically used to purchase infrequent and non-routine services or end products, such as consulting, technical assistance, and training. The law prohibits agencies from hiring a personal service contractor without executing a PSA ([CGS § 4-213](#)). The table below outlines the process and approvals required by law according to agreement value and length.

### Applicability and Exemptions

The solicitation and approval requirements apply to departments, boards, councils, commissions, institutions, or other executive branch agencies, except for public higher education institutions. They also do not apply to:

1. certain contractual services purchased by or under authority granted by the Department of Administrative Services (DAS) (e.g., maintenance and janitorial services),
2. consultants for certain (a) Department of Construction Services or Department of Transportation administered construction projects or (b) information and telecommunications systems, or
3. services provided by an agency of the federal government or the state or of a political subdivision of the state ([CGS § 4-212](#)).

**Table 1: PSA Requirements by Value and Length**

<i>PSA Value and Length</i>	<i>Competitive Solicitation Required?</i>	<i>OPM Approval Required?</i>
Less than \$20k, up to 1 year	When possible	No
\$20k - \$50k, up to 1 year	Yes	No
More than \$50k, more than 1 year	Yes	Yes

Sources: [CGS §§ 4-214 to -216](#)

These exempted contracts, and agreements entered into by public higher education institutions, are subject to competitive bidding requirements separate from those described in this report, however.

## Competitive Solicitation Process

Under this process, agencies advertise for personal service contractors through a request for proposals (RFPs). The RFP must include (1) an outline of the work to be performed, (2) required minimum contractor qualifications, (3) criteria for reviewing proposals, and (4) the proposal format and submission deadline. For each RFP, the law requires agencies to establish a screening committee to rank the proposals according to the established criteria and submit the top three proposals to the agency head, who makes a selection and negotiates a contract ([CGS § 4-217\(c\)](#)). Alternatively, he or she can reject all three top-ranked proposals, but then no award is made and the RFP process is voided. An agency solicitation producing fewer than three acceptable proposals requires OPM's permission to proceed with selecting a contractor.

## OPM Approval Process

PSAs that are expected to (1) last for more than one year or (2) cost more than \$50,000 must be pre-approved by the OPM secretary before the agency begins the solicitation process. An agency seeking OPM's approval must submit a description of the needed services and an estimate of the cost and the term as well as whether:

1. they will be ongoing;
2. the agency has contracted out for the services during the preceding two years and, if so, the agreement term, amount paid, and contractor's name;
3. another state agency has the resources to provide the services;
4. the agency intends to use competitive negotiation and rationale if not; and
5. the services can be purchased with other state agencies on a cooperative basis.

The OPM secretary has 15 business days to approve or disapprove an application; otherwise, it is deemed approved. Additionally, the secretary must notify the Auditors of Public Accounts of any applications that seek audit services during the 15-day period to review and advise the secretary as to whether the services are necessary and, if so, whether the auditors could provide them ([CGS § 4-216](#)).

## Waivers from Competitive Solicitation

The law requires the OPM secretary to adopt guidelines for determining services that qualify for a waiver from competitive solicitation requirements under prescribed conditions ([CGS § 4-215](#)). In addition, OPM has used its discretionary authority to extend waiver eligibility to services that require a contractor with special capabilities or unique experience.

## Amendments to PSAs

The law requires agencies to obtain the OPM secretary's approval for an amendment to a PSA if the amendment (1) is to an agreement originally costing more than \$50,000, (2) costs 100% or more of the original agreement, (3) increases the agreement's cost to more than \$50,000, (4) extends the agreement terms beyond a one-year period, or (5) is the second or subsequent amendment to the agreement. If the secretary does not approve or disapprove a proposed amendment within 15 business days, then it is deemed approved ([CGS § 4-219](#)).

### *Statutory Waiver Eligibility*

Qualifying services must include those:

1. for which the cost of a competitive selection outweighs the benefits;
2. provided by a contractor having proprietary services;
3. to be provided by a contractor mandated by statute or a public or special act; and
4. required by emergency

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[OPM Procurement Standards for PSAs](#)

[OPM PSA Annual Report to CGA - FY 2019](#)  
(as required per [CGS § 4-218](#))

