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OFFICE OF RESEARCH AND DEVELOPMENT

GENERAL NOTICE NO. 42

PERSONAL SERVICES CONTRACTS

1. The purpose of this notice is to promulgate Office policy with regard to the employment of contract personnel. Conditions specified by Headquarters Handbook 20-12 must also be met.

2. Definitions

There are two principal categories of contract personnel. They are as follows:

a. Contract Employees. Although contract employees are not staff personnel of the Agency, they are employees of the Government and have rights, benefits and privileges available to such employees as defined by law and specified in their contracts. They work under generally supervised and controlled conditions and are compensated on a salary basis. A contract employee requires approval from the Office of Security prior to being brought on board. Each contract employee will be charged against assigned ceiling allocation on a one-for-one basis regardless of the number of hours worked or the level of compensation.

b. Independent Contractors. Independent contractors are not employees of the Agency. They are engaged under contract to provide specified personal services. They receive only the compensation and benefits which are considered necessary to obtain their services and which are specified in their contracts. Reimbursement is normally on a fee-per-task basis and the tasks are spelled out by the technical officer. Security approval is required.

3. Processing Contracts

a. General. ORD personnel shall make no commitments whatsoever, actual or inferred, prior to review and approval by D/ORD of the proposed action in order to avoid misunderstandings and legal problems which may arise.

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Excluded from automatic  
downgrading and  
declassification

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b. Reimbursement - Personal Services. The fee paid on a personal services contract must be on a task basis with the task clearly defined by the technical officer. A written description of the task should be retained in the division file and one copy should be sent to the Support Staff/ORD to be included in the individual's contract file. Reimbursement for the task should be negotiated on the basis of a single fee per task even though consideration may be given to computing the fee on a dollars-per-hour basis. At the completion of the task a memorandum should be prepared outlining the task and evaluating the performance of the contractor on that task. The memorandum should be attached to the voucher requesting payment for the task.

c. Total Reimbursement. The estimated cost of a personal services contract must include travel and operational expenses. The contract itself will show so many dollars per task and will state that operational and travel expenses will be paid. The estimate of total cost is necessary in order to more accurately allocate the funding required.

d. Procedures. After an understanding of the work and compensation has been reached, the ORD Personnel Officer will complete Form 204, "Contract Information and Check List," and forward it to the Office of Personnel in accordance with the instructions contained in HHB 20-12, Paragraph 11.

4. Restrictions

A U.S. Government civilian annuitant may not be employed as a contract employee nor as an independent contractor (personal services) without approval by the DD/S&T and the Director of Personnel. The reimbursement of such an annuitant employed in a contract employee-type situation will depend upon his annuity and the contract will be written so that the annuity plus fee will not exceed 90 per cent of the current salary of the individual's grade and step at the time of his retirement. Prior to any discussions with annuitants, the salary limit must be established in order to avoid later pitfalls.

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5. Security

An individual employed on a personal services contract does not normally have access to classified files nor Agency installations. If the individual is to have access to classified material, he must be cleared by the Office of Security prior to establishment of the contract. If the contractor is going to perform his work in the ORD office areas, he must be approved by Security for the necessary special clearances. If he is to have access to Agency installations, appropriate arrangements must be made with the Security Officer/ORD to obtain a Visitor-No-Escort (VNE) badge, if appropriate. This will provide no-escort access to the Ames Building. The individual with this badge should be permitted only in office areas designated by the sponsoring division and the badge must not be issued until the contract has been signed and becomes effective.

6. Conflict-of-Interest

The possibility of conflict-of-interest must be avoided in the utilization of contract personnel, either on a contract employee or independent contractor basis. Agency regulations specifically caution against even the appearance of a possibility of conflict. Where questions of conflict arise, the situation must be cleared through the Office of the General Counsel prior to consummating the contract.

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Robert M. Chapman  
Director of Research and Development