

Title:	EMPLOYER-EMPLOYEE PERSONAL SERVICES CONTRACTS	
Purpose:	To establish policy and procedures for initiating and processing employer-employee personal services contracts.	
Issued by:	Employment and Personnel Services	Date: April 2, 2018
References:	Hawaii Revised Statutes (HRS) § 78-2.6; Revised Charter of the City and County of Honolulu (RCH) § 4-104(4) and § 6-1103; Personnel Manual Chapter I-A-2, Employment Suitability Clearance; CS Circulars 1096 (11-19-76), 1229 (2-12-80), 1242 (5-9-80) and 1276 (3-10-81)	

I. POLICY

As a general management policy, the personal services contract method of employment should be used only when absolutely necessary and must be justified in accordance with City Charter provisions.

II. CONTRACT GUIDELINES

- A. No person hired under an employer-employee contract shall work without an executed contract. Provisions of the contract should be consistent with applicable Charter requirements, including those in RCH § 6-1103.
- B. The amount of compensation shall be at the minimum rate/step of the appropriate salary range. Any compensation above the minimum rate/step must be justified by the department and approved by the Director of the Department of Human Resources.

III. RESPONSIBILITIES

A. Departments and Agencies

- 1. Processing Personal Services Contracts (Contracts)
 - a. Initiate a Request for Personal Services Contract (CS-C1) electronic form (eform) that explains in detail why the contract is appropriate.
 - b. Ensure that contracts are in compliance with RCH § 4-104 (4), that no person shall be appointed to any office or position exempted by civil service until satisfied by proper investigation that the person to be appointed is fully qualified by experience and ability to perform the duties of the position.
 - c. Determine the duties and responsibilities to be assigned and performed through the contract, and attach a listing of same or a position description (as applicable) to the CS-C1 eform.
 - d. Determine whether the contractor is exempt or non-exempt under Chapter IV-7, Fair Labor Standards Act (FLSA) Overtime Exemptions.
 - e. If it is projected that the contractor is to be paid at a rate above the minimum for the job class, provide a justification as to why the amount of compensation proposed is reasonable. The justification shall include, but not be limited to, an evaluation of the nature of the work, expertise of the

worker, organizational needs, and impact on other employees in the same job class who are performing similar services.

2. Contract Selectee

- a. Ensure that the prospective contract selectee meets suitability requirements for the position prior to hire. In accordance with HRS § 78-2.6, the prospective contractor should not have prior controlled substance-related convictions for the three-year period preceding the date on which the application for employment was submitted. Submit completed suitability form(s) to the Department of Human Resources in accordance with the Employment Suitability Clearance Policy in Personnel Manual Chapter I-A-2.
- b. Ensure that the prospective contract selectee meets applicable medical and physical requirements of the position prior to hire.

B. Department of Human Resources (DHR)

1. Review and Approve, if Appropriate, the CS-C1 eform
 - a. Review the CS-C1 eform for compliance with Charter provisions and the reasons for submittal, such as whether there is a list of eligibles for the subject position, why the department is not filling the position through a civil service recruitment, and whether the department has received an approval to fill for the subject position.
 - b. Process the CS-C1 eform on a timely basis in accordance with CS-C1 eform procedures.
2. Review the duties and responsibilities assigned to the position, and determine an appropriate compensation reference.
3. Review and process the Determination of Employee FLSA Status (DHR-CP-57) reporting form applicable to the subject position.

IV. CONTRACT AMENDMENTS

Amendments to the rate of pay or contract period on an approved CS-C1 require the submittal of a new eform.