

# Independent Contractor Agreement (ICA) End User Training

Purchasing Department

April 15, 2014

# Outline

- ◎ Who we are
- ◎ Current ICA Template
- ◎ When is an ICA Used?
- ◎ Other Documents Supporting an ICA
- ◎ Insurance Requirements
- ◎ Datatel Approval Refresher (03/12/2014 email)
- ◎ Changes to Come – ICA & Insurance
- ◎ Purchasing Dos and Don'ts

# Who we are

- ◎ Anthony Oum – Assistant Director of Fiscal Services
  - 408/270-6416 direct line – 408/239-8808 direct e-fax
  - [Anthony.oum@sjeccd.edu](mailto:Anthony.oum@sjeccd.edu)
- ◎ Cindy Giesing – Purchasing Agent
  - 408/270-6487 direct line – 408/239-8807 e-fax
  - [Cynthia.giesing@sjeccd.edu](mailto:Cynthia.giesing@sjeccd.edu)
- Peggy Graham – Purchasing Agent
  - 408/270-6421 direct line – 408/239-8807 e-fax
  - [Peggy.graham@sjeccd.edu](mailto:Peggy.graham@sjeccd.edu)
- Carlos Marques – Purchasing Agent
  - 408/270-6431 direct line – 408/239-8807 e-fax
  - [Carlos.marques@sjeccd.edu](mailto:Carlos.marques@sjeccd.edu)
- Vacant – Asset and Inventory Technician (still working title)
  - 408/270-6249 direct line – 408/239-8807 e-fax

# Who we are

## ◎ Warehouse

- Monday through Friday
- Hours of operation – 8:00 am – 4:30 pm
- Closed – 12:00 pm – 1:00 pm

## ◎ Steve Hulse – Warehouse/Distribution Coordinator

- 408/223-6720 line – 408/239-8807 e-fax
- [Steve.hulse@sjeccd.edu](mailto:Steve.hulse@sjeccd.edu)

## • Lou Juarez – Warehouse/Distribution Specialist II

- 408/223-6720 line – 408/239-8807 e-fax
- [Luis.juarez@sjeccd.edu](mailto:Luis.juarez@sjeccd.edu)

# Current ICA Template

## Header

Clear All Fields



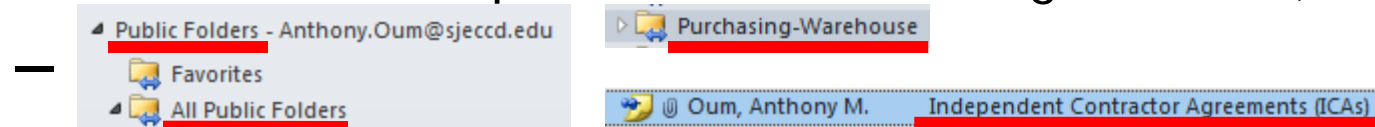
### INDEPENDENT CONTRACTOR AGREEMENT (ICA)

*(This agreement is not a construction contract within the meaning of Civil Code section 2783, and is not an agreement for the provision of construction services within the meaning of Public Contract Code section 20651.)*

THIS AGREEMENT (hereinafter "Agreement") is entered into this  day of  20 by and between **SAN JOSE/EVERGREEN COMMUNITY COLLEGE DISTRICT** (hereinafter "District") and  (hereinafter "Contractor").

# Current ICA Template

- Available in Outlook's Public Folders
  - Public Folders/All Public Folders/Purchasing-Warehouse/Independent Contractor Agreement (ICAs)



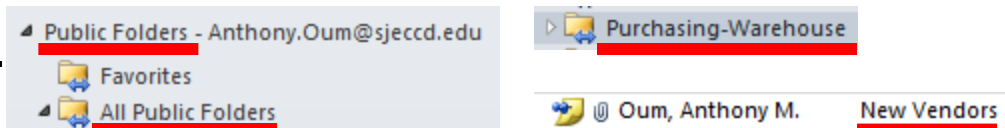
- Major Revisions to Prior Versions
  - Uses current District header
  - Footer shows 'September 2012'
  - A seven page template
  - Spells out District's insurance requirement
  - Updated indemnity language

# When is an ICA used?

- Anybody providing a service (on/off campus)
- Works independently and performs service with a specific scope of work for a set fee and within a defined period of time
- California Labor Code, EDD and IRS defines a contractor
  - Information available in Outlook's Public Folders
- Not a District Employee
- Language on ICA shall not be redlined (altered) without prior approval from VC Admin Services
  - Failure to comply will result in delays

# Other Documents Supporting an ICA

- If not a current vendor in Datatel
  - A W-9 is necessary to establish a Vendor ID in Datatel
  - A Business Enterprise Certification (BEC) form
  - Public Folders/All Public Folders/Purchasing-Warehouse/New Vendors



- If Sole Proprietor
  - DE 542 – Report of Independent Contractor(s)
    - To "... increase child support collection by helping locate parents who are delinquent in their child support obligations."



# Other Documents Supporting an ICA

- Supporting documentation such as a vendor quote or proposal
- Exhibit A – Scope of Work
  - Should be referenced in Section 18

18. Description of Services to be Rendered

**Clear Description of Services**

Unless otherwise noted hereunder, Contractor, rather than the District, shall provide all necessary tools, equipment, parts and facilities to perform its work hereunder.

Contractor shall perform the following services:

[Redacted area containing contractor services]

- May also attach quotes from other vendors showing selection of awarded vendor per Purchasing Matrix

# Insurance Requirements

- Certificate of Liability Insurance (COI)

<b>CERTIFICATE OF LIABILITY INSURANCE</b>		ISSUE DATE: 07/01/2014
<b>PRODUCER:</b>  We Cover You, Inc. 301 California Street San Francisco, CA 94111	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER OTHER COVERAGE AFFORDED BY THE POLICIES BELOW.	
	<b>COMPANIES AFFORDING COVERAGE</b>	
	COMPANY LETTER A	Hanover Insurance Company
	COMPANY LETTER B	Starr Surplus Lines Insurance Co.
<b>INSURED:</b>  We Need Coverage, Inc.  555 Sansome Street San Francisco, CA 94111	COMPANY LETTER C	Allmerica Financial Benefits Insurance
	COMPANY LETTER D	
<b>COVERAGES AND LIMITS</b>		
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.		

# Insurance Requirements

- Commercial General Liability (GL)

CO. LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF. DATE	POLICY EXP. DATE	DESCRIPTION	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMM. GENERAL LIAB. <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCURRENCE <input type="checkbox"/> OWNER'S & CONTRACT'S PROT GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC	ABC123	07/01/2014	06/30/2015	GENERAL AGGREGATE PROD-COMP/OP AGG. PERS & ADV. INJURY EACH OCCURRENCE FIRE DAMAGE (One Fire) MEDICAL EXPENSE (One Per)	\$2,000,000    \$1,000,000

- \$1,000,000 Per Occurrence
- \$2,000,000 Aggregate
- Project provides greater coverage

# Insurance Requirements

- Comprehensive Automobile Liability (AL)

AUTOMOBILE LIABILITY		DEF456	07/01/2014	06/30/2015	COMBINED SINGLE LIMIT	\$1,000,000
<input checked="" type="checkbox"/>	ANY AUTO				BODILY INJURY (Per Person)	
<input type="checkbox"/>	ALL OWNED AUTOS				BODILY INJURY (Per Accident)	
<input type="checkbox"/>	SCHEDULED AUTOS				PROPERTY DAMAGE	
<input checked="" type="checkbox"/>	HIRED AUTOS					
<input checked="" type="checkbox"/>	NON-OWNED AUTOS					
<input type="checkbox"/>	GARAGE LIABILITY					

– \$1,000,000 Per Occurrence

- Worker's Compensation

WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY		GHI789	07/01/2014	06/30/2015	<input checked="" type="checkbox"/> STATUTORY LIMITS	
					EACH ACCIDENT	\$1,000,000
					DISEASE - POLICY LIMIT	\$1,000,000
					DISEASE - EACH EMPLOYEE	\$1,000,000

– Statutory Limits Required By Law

# Insurance Requirements

- Professional Liability

B	PROFESSIONAL LIABILITY	JKL12345	07/01/2014	06/30/2014	PER CLAIM AGGREGATE DEDUCTIBLE PER CLAIM	\$2,000,000 \$4,000,000 \$25,000
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- \$2,000,000 Per Claim
- \$4,000,000 Aggregate
- Deductible NTE \$25,000 Per Claim

# Insurance Requirements

- Description of Operations/Location/Vehicles/Special Items

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS:**

San Jose Evergreen Community College District, its trustees, officers, agents, employees, and volunteers, individually and collectively are named as additional insured on General Liability policy as per the attached endorsement.

- Certificate Holder

**NAME AND ADDRESS OF CERTIFICATE HOLDER:**

San Jose Evergreen Community College District  
4750 San Felipe Road  
San Jose, CA 95135

Attention: Anthony Oum or Purchasing

# Insurance Requirements

- Endorsement Page

**COMPANY NAME:**  
**NAMED INSURED:**  
**POLICY NUMBER:**

**THE ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY**

## **ADDITIONAL INSURED — PRIMARY COVERAGE**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART.**

**SCHEDULE**

NAME OF PERSON OR ORGANIZATION:

**SAN JOSE EVERGREEN COMMUNITY COLLEGE DISTRICT.**

EXAMPLE

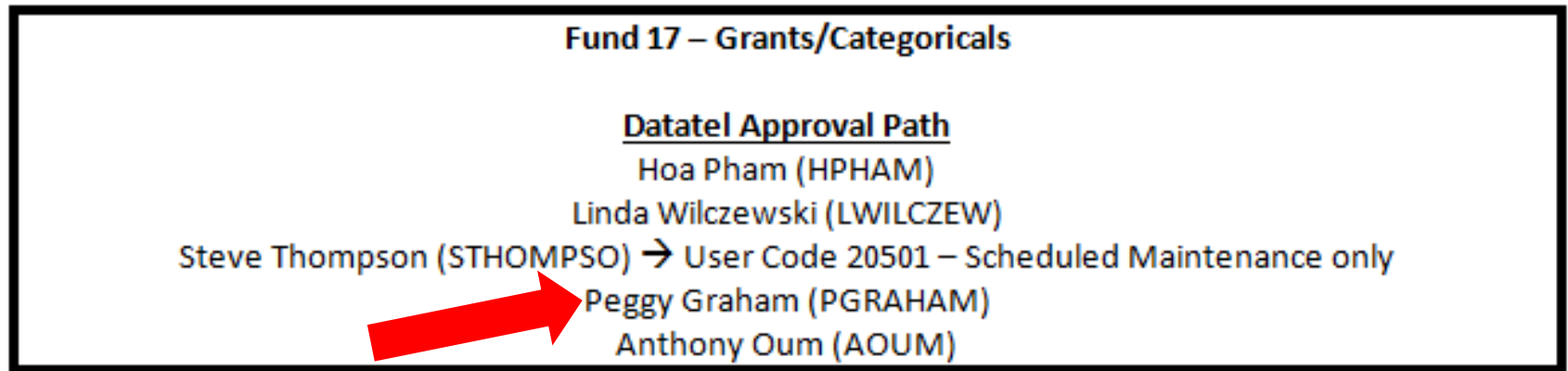
# Insurance Requirements

- All insurance must be issued by an admitted insurance carrier (licensed to do business in the State of California), carrying a rating of no less than A–VII in the most current A.M. Best Insurance Rating Guide – or otherwise acceptable to SJECCD
  - A – Financial Strength Rating (Excellent)
    - Grading scale to determine financial strength of insurer
  - VII – Financial Size Category – Adjusted Policy Holder Surplus 50 to 100 (in Millions)
    - To show that insurer has sufficient financial capacity to provide the necessary policy limits to insure risk



# Datatel Approval Refresher

- Peggy Graham – Purchasing Agent



- Other responsibilities include
  - ICAs, IT Related Procurement, Home Depot/OSH, Printing and Promotional Items, Copiers, and Food Services, Maintenance Renewals

# Datatel Approval Refresher

- Carlos Marques – Purchasing Agent

**Fund 31 – Measure G 2004 Series B**

**Fund 32 – Measure G 2004 Series C**

**Fund 36 – Capital Projects**

**Fund 41 – Measure G 2010 Series A (For Location 96 – District Office and Location 99 – Districtwide)**

**Fund 42 – Measure G 2010 Series B (For Location 96 – District Office and Location 99 – Districtwide)**

**Fund 43 – Measure G 2010 Series C (For Location 96 – District Office and Location 99 – Districtwide)**

**Fund 44 – Measure G 2010 Series D (For Location 96 – District Office and Location 99 – Districtwide)**

**Datatel Approval Path**

Marilyn Morikang (MMUDOH)

Linda Wilczewski (LWILCZEW)

Peter Fitzsimmons (PFITZSIM)

Steve Thompson (STHOMPSO)

Carlos Marques (CMARQUES)

Anthony Oum (AOUM)

- Other responsibilities include
  - Furniture, Equipment, Office Supplies (Office Depot/Staples), Cell Phones

# Datatel Approval Refresher

- Cindy Giesing – Purchasing Agent

Fund 41 – Measure G 2010 Series A (For Location 1X – SJCC and Location 2X – EVC)

Fund 42 – Measure G 2010 Series B (For Location 1X – SJCC and Location 2X – EVC)

Fund 43 – Measure G 2010 Series C (For Location 1X – SJCC and Location 2X – EVC)

Fund 44 – Measure G 2010 Series D (For Location 1X – SJCC and Location 2X – EVC)


## Datatel Approval Path

Marilyn Morikang (MMUDOH)

Linda Wilczewski (LWILCZEW)

Peter Fitzsimmons (PFITZSIM)

Steve Thompson (STHOMPSO)

 Cindy Giesing (CGIESING)

Anthony Oum (AOUM)

- Other responsibilities include
  - Vendor Outreach, MBE/WBE Coordination

# Changes to Come – ICA & Insurance

- Work in progress ...
- ICA Updates
  - Multiple templates based on project and size of contract
- Insurance Updates
  - GL tiered based on project and size of contract
    - Starting at \$1M Each Occurrence/\$2M Aggregate
    - Ending at \$5M Each Occurrence/\$10M Aggregate
  - Comprehensive to Commercial AL coverage
    - Removal of Auto Aggregate
  - Specify PL only for Professionals
    - E.g. Architects, Engineers, CPAs, Attorneys, Design Firms
  - As an Exhibit/Appendix insert into the ICA

# Purchasing DOs

- Obtain multiple quotes for best prices.
- Seek Purchasing's assistance with big orders, list of vendors, etc.
- Use good judgment because Purchasing will ask written justification of your decision. This will be used as supporting documentation to the encumbrance.
- If an encumbrance is no longer necessary, request Purchasing to de-encumber the funds. You can use the money for other needs.
- Send emails referencing Requisition Number and Vendor.
- Check with Purchasing when in doubt.

# Purchasing DON'Ts

- Use confirming orders (invoices as backup documentation) to the requisition.
- Decrease encumbrances to pay other vendors for a temporary budget solution only to re-increase that same encumbrance later in the FY .
- Initiate multiple increases throughout the FY for your annual BPOs. Increases should only be done once as the FYE approaches due to underestimation of initial expenses. Said increase should carry you through 06/30/20XX.
- Abuse critical and rush requests.