

Caltech

Independent Contractor

Updates

Independent Contractor vs Employee

Independent Contractor

A contractor relationship exists when Caltech has the right to control or direct only the end-result of a service, not the manner in which it is performed. In addition, Caltech generally receives something, for example, transcription services, programming services. So, although part of an independent contractor's services may include advice, an independent contractor is in the end a "doer."

Employee

A relationship in which Caltech has the right to supervise and control the manner of performance, as well as the result of service.

Changes to Independent Contractors

- **California AB 5 Law:** Due to the new CA Assembly Bill 5 that went into effect on January 1, 2020, the process for Independent Contractors has changed for Caltech.
- **CA Assembly Bill 5** presumes individuals to be employees unless Caltech can satisfy all three of the ABC questions below:
 - A. Is the individual free from Caltech's control or direction in performing the work?
 - B. Does the work take place outside the usual course of business of Caltech?
 - C. Is the individual customarily engaged in an independent trade, occupation, profession, or established business of the work of the same nature?

Exemptions to AB 5

The law exempts several professions including but not limited to the following:

- Licensed insurance agents, lawyers, architects, engineers, private investigators, or accountants.
- However, these exemptions from AB5 apply only to the ABC test. This means that an exempt worker still has to pass the Borello test to be classified as an independent contractor.

Borello Test

1. Is the individual engaged in an occupation or business distinct from that of Caltech?
2. Is the work a part of the regular business of Caltech?
3. Does Caltech supply the instrumentalities, tools, and the place for the individual?
4. Has the individual made a significant investment in the equipment or materials required by his or her task or his or her employment of helpers?
5. Does the service rendered require a special skill?
6. Is this occupation, in the locality, usually done by a specialist without supervision?
7. Is there an opportunity for profit or loss depending on the individual's managerial skill?
8. Is there a length of time for which the services are to be performed?
9. Will the working relationship between the individual and Caltech be reflective of the time allotted to perform the task(s) for which the individual is hired?
10. Is the method of payment time-certain or job-specific?
11. Do both parties believe they are creating an employer-employee relationship?

Certification

In order to ensure that individuals performing services for Caltech are properly classified, the requesting Department must complete the Individual/Sole Proprietor Analysis (a portion of the Declining PO - Services Agreement purchase requisition form in TechMart). This Analysis is based on State of California classification factors and must be completed and submitted to Purchasing Services prior to individual's start date. A Department representative must certify the information provided in the Analysis has been reviewed and is accurate to the best of their knowledge.

▼ Certification

Certification *

I certify that the information provided has been reviewed and is accurate to the best of my knowledge.

Important Links to Forms and Procedure

- Independent Contractor Procedure:
https://procurement.caltech.edu/documents/17689/Independent_Contractor_Procedure.pdf
- Independent Contractor Services Request Form:
https://procurement70.sites.caltech.edu/documents/12964/independent_contractor_services_request.pdf
- Copyright Release Agreement Form:
https://procurement.caltech.edu/documents/17760/Copyright_Release_Agreement.pdf
- Procurement Summary Justification Form:
https://procurement.caltech.edu/documents/17789/Procurement_Summary_Justification.pdf

TechMart

Independent Contractor

Form Training

Find the form in TechMart

The screenshot displays the TechMart website interface. On the left is a vertical navigation menu with items: Home, Shop, Orders, Contracts, Accounts Payable, Suppliers, Reporting, and Administer. The main header features the TechMart logo, user information (Elisa Brink), a star icon, a notification bell with '18', a shopping cart with '0.00 USD', and a search bar (Alt+Q). Below the header is a breadcrumb trail: Shop > Shopping > Shopping Home > Shopping Dashboard. The 'Shopping Dashboard' section includes a 'Dashboard Actions' dropdown. A 'TechMart News' sidebar contains an 'ATTENTION!' notice about the removal of the Independent Contractor Form, an 'Update to Airgas Name' notice, and 'Procurement Services Quick Links' and 'Other Procurement Services Resources'. The main content area has a 'Shop' section with a search bar and a navigation menu where 'Forms' is circled in red and pointed to by an orange arrow. Other sections include 'Sustainable Purchasing Initiatives', 'Can't find what you're looking for?' with contact information, 'Caltech Catalog Suppliers' (listing Compressed Gas and Office Supplies), and 'Purchasing Forms' (listing various form types like Change Request, Declining PO, etc.).


Purchasing Forms

Expand All Collapse All

- Personal
 - Favorites
- Shared
 - Housing Shopping Showcase Favorites
 - Organization Forms
 - Partial Sales & Use Tax Exemption
 - Payment Services Forms
 - PTA Petty Cash Replenishment Request
 - Purchasing Forms**
 - Request to Add or Update Supplier
 - Specialty Gas - Airgas
 - TechMart Access Request Form

Purchasing Forms		Folder Actions ?
1-6 of 6 Results		20 Per Page
Declining PO- Blanket Template Title: Declining PO- Blanket Purpose: Procurement Request	0.00 USD	<input type="checkbox"/> <input type="checkbox"/> Submit Request Copy
Declining PO- Independent Contractor Services Agreement Template Title: Declining PO- Independent Contractor Services Agreement Purpose: Procurement Request	0.00 USD	<input type="checkbox"/> <input type="checkbox"/> Submit Request Copy
Declining PO- JPL Work Order Template Title: Declining PO- JPL Work Order Purpose: Procurement Request	0.00 USD	<input type="checkbox"/> <input type="checkbox"/> Submit Request Copy
Declining PO- Services Agreement Template Title: Declining PO- Services Agreement Purpose: Procurement Request	0.00 USD	<input type="checkbox"/> <input type="checkbox"/> Submit Request Copy
Research Subcontract Declining Balance PO Template Title: Research Subcontract Declining Balance PO Purpose: Procurement Request	0.00 USD	<input type="checkbox"/> <input type="checkbox"/> Submit Request Copy
Supplier After-the-Fact Request Template Title: Supplier After-the-Fact Request	0.00 USD	<input type="checkbox"/> <input type="checkbox"/> Submit Request



All 0.00 USD 33 Logout

[Shop](#) > [Shopping](#) > [View Forms](#)
[Back to View Forms](#)

Declining PO- Independen...

Form Number	3065870
Purpose	Procurement Request
Status	Incomplete

Instructions

- Suppliers
- Attachments
- Form Fields
- Review and Submit

Instructions

[Request Actions](#) | [History](#) | [?](#)

The Declining Balance PO type used to set up a new Independent Contractor Services Agreement with an individual or sole proprietor (not a Company/Corporation). An Independent Contractor Services Agreement should be initiated prior to the commencement of services. If you have already been invoiced for services rendered and there will be no continuing services, the **Supplier After-the-Fact** form should be used in lieu of the Declining Balance PO form.

[Next >](#)

Declining PO- Independen...

Form Number **3065930**
Purpose **Procurement Request**
Status **Incomplete**

- Instructions
- Suppliers** ✓
- Attachments ✓
- Form Fields ✓
- Review and Submit

Suppliers

Request Actions History ?

Supplier Please select a fulfillment center below.

Search Registered Suppliers

Supplier

Relationship All

Zip Code Within 5 Miles

Clear

< Previous

Next >

Home Shop Orders Contracts Accounts Payable Suppliers Reporting Administer Setup

TechMart All Search (Alt+Q) 0.00 USD Logout

Shop > Shopping > View Forms

< Back to View Forms

Declining PO- Independen...

Form Number **3065930**
Purpose **Procurement Request**
Status **Incomplete**

Instructions

Suppliers ✓

Attachments ✓

Form Fields ✓

Review and Submit

Suppliers

Request Actions | History | ?

Supplier [New Supplier](#)
New Supplier:

> Modify Search

Supplier Name	Doing Business As	Fulfillment Centers	Action
New Supplier		New Supplier: (preferred) -	✓ Selected

< Previous **Next >**

Home Shop Orders Contracts Accounts Payable Suppliers Reporting Administer Setup

TechMart

All Search (Alt+Q) 0.00 USD

Shop > Shopping > View Forms

< Back to View Forms

Declining PO- Independen...

Form Number **3065930**
Purpose **Procurement Request**
Status **Incomplete**

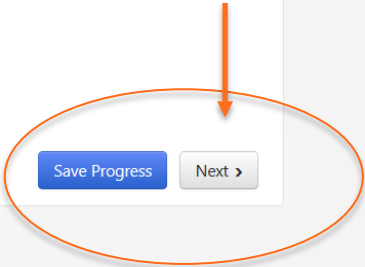
Instructions
Suppliers ✓
Attachments ✓
Form Fields ✓
Review and Submit

Attachments [Request Actions](#) [History](#) [?](#)

Please add your attachments below.

[Add Attachment](#)

[< Previous](#) [Save Progress](#) [Next >](#)



Home Shop Orders Contracts Accounts Payable Suppliers Reporting Administer Setup

TechMart All Search (Alt+Q) 0.00 USD

Shop > Shopping > View Forms

< Back to View Forms

Declining PO- Independen... Form Fields - Page 1

Request Actions History ?

★ Response Is Required

Form Number **3065930**
Purpose **Procurement Request**
Status **Incomplete**

Instructions
Suppliers ✓
Attachments ✓
Form Fields ✓
Review and Submit

On This Page

- New Supplier Information (6)
- Justification (11)
- ABC Questions (4)
- Independent Contractor Services Worksheet (21)
- Certification (1)
- Line Detail (6)
- Special Handling (1)

New Supplier Information

Did you select "New Supplier" in the previous Supplier Section? *

Yes No

Justification

Please complete the Independent Contractor Services Request Form found [here](#).

Please attach the Independent Contractor Services Request Form

No File Attached
Uploaded attachment will be copied to the voucher.

Is the Payee an Individual/Sole Proprietor or a Company/Corporation? *

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P-Card

CardQuest Cashier Deposit

CardQuest Low Limit

CardQuest Non-P-Card Holder Set
Up/Access

CardQuest P-Card Application &
Acknowledgement

Change Limit

COVID-19 Missing Receipt Form

Expense Approver Update
(change/update/add authorizer)

P-Card Missing Receipt

*Only 4 missing receipt forms accepted in
a 6 month period*

Purchasing

CA Partial Sales Use Tax Exemption

Competitive Procurement Summary

Copyright Release Agreement

Declining Balance PO - Independent

Contractor Services Agreement Checklist

Declining PO - Blanket Order Renewal
Form

Independent Contractor Services Request

Noncompetitive Justification

Procurement Summary Justification

TechMart Access Request Form

TechMart Custodian List

TechMart Forms Glossary

Tax Forms for Suppliers

IRS W-8 BEN Form

IRS W-8 BEN Form Instructions
For Foreign Individuals

IRS W-8 BEN-E Form

IRS W-8 BEN-E Form Instructions
For Foreign Business Entities

IRS W-8 ECI Form

IRS W-8 ECI Form Instructions

IRS W-8 EXP Form

IRS W-8 EXP Form Instructions
*For Foreign Government/Other exempt
entities*

IRS W-9 Form

IRS W-9 Supplemental
For US Payees

Payment Services

Complete this form along with the *Independent Contractor Services Worksheet* to establish independent contractor status.

1. Name of proposed Consultant:
2. Services will be required from _____ through _____
3. Describe the specific tasks which require the services of this Consultant (Statement of Work):
4. Will the Consultant come onto Caltech property to provide his/her services? Yes No
5. List any deliverables (i.e. reports, plans, drawings, etc) and their due dates:
6. Do you require to meet with the Consultant on a weekly or monthly basis to discuss the status of their services, if yes, please indicate.
7. Describe the specific qualifications of the Consultant selected to perform the required services (please attach resume):
8. Provide the name of all other individuals and/or firms who have been considered as possible consultants:
9. Compensation to the Consultant will not exceed (total contract amount): \$ _____
 - Fee of \$ _____ per _____ (i.e. hour, month, task)
 - Are there travel expenses billable to this contract? Yes No
Travel expenses (specify if applicable): \$ _____
If no, please submit a Purchase Requisition with all travel related receipts attached as expenses are incurred.
 - Are there other expenses billable to this contract? Yes No
Other expenses (specify if applicable): \$ _____
If no, please submit a Purchase Requisition with all receipts attached as expenses are incurred.
10. Please provide the name of the Caltech Technical Representative. The Caltech Technical Representative has the authority to administer this contract in all its technical aspects. In this capacity, the Caltech Technical Representative is authorized to make specific requests for Consultant services, to provide technical direction, to receive and approve invoices, and to accept deliverable items.
Name:
Mail Code:
Extension:
11. Services to be charged to Project-Task-Award (PTA) Number:

Uploaded attachment will be copied to the voucher.

Is the Payee an Individual/Sole Proprietor or a Company/Corporation? *

- Individual/Sole Proprietor
- Company/Corporation

If this Independent Contractor Services Agreement exceeds \$10,000, please complete and attach either the Competitive Procurement Summary or Non-Competitive Procurement Justification found [here](#).

Attach Competitive Procurement Summary or Noncompetitive Justification if this exceeds \$10,000.

No File Attached

Uploaded attachment will be copied to the voucher.

Where will services be performed? (may be subject to income tax withholding) *

- At Caltech
- Inside California
- Inside the US
- Outside the US

Is this service for Copyrights/Royalties? *

- Yes
- No

ABC Questions

P-Card

CardQuest Cashier Deposit

CardQuest Low Limit

CardQuest Non-P-Card Holder Set Up/Access

CardQuest P-Card Application & Acknowledgement

Change Limit

COVID-19 Missing Receipt Form

Expense Approver Update
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Copyright Release Agreement

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TechMart Access Request Form

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Tax Forms for Suppliers

IRS W-8 BEN Form

IRS W-8 BEN Form Instructions

For Foreign Individuals

IRS W-8 BEN-E Form

IRS W-8 BEN-E Form Instructions

For Foreign Business Entities

IRS W-8 ECI Form

IRS W-8 ECI Form Instructions

IRS W-8 EXP Form

IRS W-8 EXP Form Instructions

For Foreign Government/Other exempt entities

IRS W-9 Form

IRS W-9 Supplemental

For US Payees

PROCUREMENT SUMMARY JUSTIFICATION**INSTRUCTIONS**

This form must accompany any purchase requisition that exceeds a total of \$10,000.00 (which is inclusive of shipping, handling and tax rates).

1. Please type or print legibly and complete all categories and sections that apply.
2. Provide full explanation, complete description, and/or list all relevant reasons where space has been provided. The rationale must be clear and convincing, avoiding generalities and unsupported conclusions.
3. Incomplete forms or forms lacking sufficient detail may not be approved and may be returned, possibly delaying issuance of a Purchase Order.
4. Form must be signed and dated at the bottom.

Date:

Requisition No (if known):

Preparer:

Estimated Price:

Proposed Supplier:

Product/Service
Description:

Type of Procurement Justification (Check one):

- Competitive Justification:** Two or more suppliers were contacted to provide pricing (bid/quote/proposal) for this procurement. Please complete page 2 in its entirety.
- Noncompetitive Justification:** This procurement was entered into without competition, based on research that only one supplier could fulfill the specific procurement requirements and there was no means of supplier and price comparison. Procurement by a noncompetitive method requires explanation, written justification, and market research evidence by completion of pages 3-4.

COMPETITIVE PROCUREMENT SUMMARY

Please complete the table below with a minimum of two or more suppliers.

Supplier Name	Bid Amount (\$)	Technically Acceptable? (Y/N)	Comments (Identify low bidder)
		Select <input type="button" value="v"/>	
		Select <input type="button" value="v"/>	
		Select <input type="button" value="v"/>	
		Select <input type="button" value="v"/>	
		Select <input type="button" value="v"/>	

Awarded to lowest bidder

Not awarded to lowest bidder

(Explain rationale below, e.g., more aggressive schedule, better delivery terms, etc.)

I have attached the competitive bids/quotes/proposals submitted by each of the bidding suppliers.

Submitted by:

Signature:

Date:

Printed Name:

NONCOMPETITIVE PROCUREMENT SUMMARY

A noncompetitive or "sole source" procurement is defined as any procurement entered into without a competitive process, based on justification that only one known source exists or that only one single supplier can fulfill the requirements, as competition is not deemed feasible.

SECTION 1: Identify why this is a noncompetitive procurement

*Please select the appropriate rationale as to why this procurement is considered noncompetitive.
Select all that apply:*

- Only one known source exists for supplies or services as determined by documented research.
- No other reasonable alternative source exists that meets the Division/Departments requirements.
- Commodity/service is unique in nature to business need or research requirement.
- Compatibility (e.g., a public safety agency requires a specific piece of equipment to be compatible with an existing equipment system).
- Limited or proprietary systems (e.g., additional licenses, updates, specialized replacement parts, etc.)
- A professional expert is requested.
- Sales territories or product availability are limited by geographic boundaries.

SECTION 2: Explain the basis for your selection(s) in Section 1

Provide a justification/explanation to support your selection(s) in Section 1 as to why it is necessary to contract in a noncompetitive manner for this procurement.

EXAMPLES: Description of the unique features that prohibit competition; documented research conducted to verify the supplier as the only known source; description of the marketplace to include distributors, dealers, resellers, etc.; known compatibility issue; delivery timeline constraints, etc.

NONCOMPETITIVE PROCUREMENT SUMMARY

SECTION 3: Supporting Documentation and Declaration

Attached are the required documents that demonstrate why this procurement is noncompetitive in nature and why other suppliers cannot be utilized for this procurement. Below is a summary of other suppliers that were contacted in our efforts to demonstrate this procurement is noncompetitive.

Supplier Name	Deficiency	Comments

I certify that:

- This procurement meets the requirements of a noncompetitive procurement, and I have fully explained and demonstrated why this was not competed.
- I am aware of Caltech's requirements for competitive bidding for purchases over \$10,000 and the criteria for justification for noncompetitive procurements.
- I have gathered the required technical information and have made a concerted effort to review comparable/equal equipment (e.g., market research such as comparable items online, Google research, previous PO, etc.).
- I have attached the pertinent documentation (screen shots from websites, previous PO's etc.) showing what market research was conducted to preclude other items from consideration.

Signature:

Date:

Printed Name:



- Home
- Shop
- Orders
- Contracts
- Accounts Payable
- Suppliers
- Reporting
- Administer
- Setup

Shop > Shopping > View Forms

Uploaded attachment will be copied to the voucher.

Is the Payee an Individual/Sole Proprietor or a Company/Corporation? *

- Individual/Sole Proprietor
- Company/Corporation

If this Independent Contractor Services Agreement exceeds \$10,000, please complete and attach either the Competitive Procurement Summary or Non-Competitive Procurement Justification found [here](#).

Attach Competitive Procurement Summary or Noncompetitive Justification if this exceeds \$10,000.

No File Attached

Uploaded attachment will be copied to the voucher.

Where will services be performed? (may be subject to income tax withholding) *

- At Caltech
- Inside California
- Inside the US
- Outside the US

Is this service for Copyrights/Royalties? *

- Yes
- No

ABC Questions

< Previous

Save Progress

Next >

Home | TechMart | All | Search (Alt+Q) | 0.00 USD | 34 | Logout

Shop > Shopping > View Forms

Uploaded attachment will be copied to the voucher.

Is the Payee an Individual/Sole Proprietor or a Company/Corporation? *

Individual/Sole Proprietor
 Company/Corporation

If this Independent Contractor Services Agreement exceeds \$10,000, please complete and attach either the Competitive Procurement Summary or Non-Competitive Procurement Justification found [here](#).

Attach Competitive Procurement Summary or Noncompetitive Justification if this exceeds \$10,000.

No File Attached

Uploaded attachment will be copied to the voucher.

Where will services be performed? (may be subject to income tax withholding) *

At Caltech Inside California Inside the US Outside the US

Is this service for Copyrights/Royalties? *

Yes No

ABC Questions

< Previous | Save Progress | Next >

Is this service for Copyrights/Royalties? *

Yes No

Who maintains the Rights/Copyright to the work? *

Caltech
 Supplier
 Other (please explain below)

If the Supplier is releasing the rights to Caltech, please have the [attached](#) form filled out by the Supplier. Upon completion of the form, please attach it to the Requisition or upload it to the "Comments" section of the Requisition. (Please note: payment cannot be processed without completion of this form).

Requisition or upload it to the "Comments" section of the Requisition. (Please note: payment cannot be processed without completion of this form).

ABC Questions

Is the individual is free from Caltech's control or direction in performing the work? *

Yes No

Does the work take place outside the usual course of business of Caltech? (Usual course of business being: research & academics.) *

Yes No

Is the individual customarily engaged in an independent trade, occupation, profession, or established business of the work of the same nature? *

Yes No

Please describe a brief description of the Statement of Work. *

2000 characters remaining



2000 characters remaining

Independent Contractor Services Worksheet

If you are contracting the services of an individual or sole proprietor, it is important to establish that the nature of service does not constitute employee/employer relationship. If the answer to any of the following questions is "Yes", you may need to consider hiring the individual as an employee.

Is the individual working exclusively for Caltech? *

Yes No

Is the individual using experience or expertise gained as a current or previous employee of Caltech to provide the service? *

Yes No

Is there a regular or ongoing relationship with the individual? For example, are you hiring the individual for more than a one-time task? *

Yes No

Are you providing ongoing training and direction concerning how to complete task? That is, are you giving more than general directions and objectives of the task? *

Yes No

Yes No

Are you providing any assistance to the individual such as additional personnel support, supplier, equipment, etc? *

Yes No

Does the individual report to a Caltech staff member who has the right to change how the individual does their work? *

Yes No

Are services of the individual integrated into your organization? For example, are you hiring someone to teach for credit? *

Yes No

Can the individual quit prior to completion of the project without incurring any legal liability? *

Yes No

Does the individual have a regular schedule with a set hourly rate? *

Yes No

Is the individual currently employed at the Jet Propulsion Laboratory or at Caltech? *

Yes No

▼ Certification

Certification ★

I certify that the information provided has been reviewed and is accurate to the best of my knowledge.

Home Shop Orders Contracts Accounts Payable Suppliers Reporting Administer Setup

TechMart All Search (Alt+Q) 0.00 USD Logout

Shop > Shopping > View Forms

▼ Line Detail

How many lines do you need? *

1

Line 1 amount:

Unit Price	1.00 USD	Quantity		Total	0.00 USD
------------	----------	----------	--	-------	----------

Unit of Measure EA - Each

Product Description

1000 characters remaining

Service Start Date

mm/dd/yyyy

Service End Date

mm/dd/yyyy

Taxable No

▼ Special Handling

Send PO to Supplier?

Yes No

< Previous Save Progress Next >

- Home
- Shop
- Orders
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- Accounts Payable
- Suppliers
- Reporting
- Administer
- Setup

Shop > Shopping > View Forms

Declining PO- Independen...

Form Number **3065930**
Purpose **Procurement Request**
Status **Incomplete**

Instructions
Suppliers ✓
Attachments ✓
Form Fields ✓

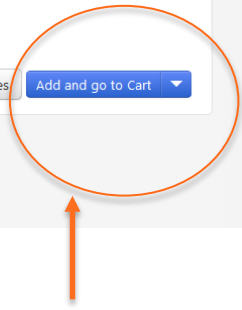
Review and Submit

Review and Submit [Request Actions](#) [History](#) ?

✓ Required Fields Complete

Section	Progress
Suppliers	✓ Required Fields Complete
Attachments	✓ Required Fields Complete
Form Fields	✓ Required Fields Complete

< Previous Add to Favorites **Add and go to Cart** ▾



Questions?

- Monica Marquez,
monica.marquez@caltech.edu
- Genelle Vinci, genelle.vinci@caltech.edu
- Elisa Brink, elisab@caltech.edu

Caltech