

**TITLE: CIB 81-25 Subcontracting by Personal Service Contractors (PSCs)**

UNITED STATES GOVERNMENT

Memorandum

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TO: Distribution List O-14 (LL)  
FROM: SER/CM, Hugh L. Dwelley  
SUBJECT: Subcontracting by Personal Service Contractors (PSCs)

**CONTRACT INFORMATION BULLETIN 81-25**

This office has been advised of instances in which PSCs have been required to purchase or to enter subcontracts for some portion of their work, or for support services of the type that they, as employees, should have been furnished with in the ordinary course of their employment.

The examples given were PSC purchases or subcontracts for typing services, report preparation, and data collection. These practices resulted in suppliers and subcontractors serving without Defense Base Act and Federal Employee Compensation Act coverage.

The purpose of this Bulletin is to make it clear that a personal services contractor is an employee of the U.S. Government. The sole exception to that status in the authorizing legislation is that the PSC "shall not be regarded as an employee of the U.S. Government for purpose of any law administered by the Civil Service Commission" (now the OPM). per Sec. 636 (a) (3) of the FA Act.

Government employees should not be called upon (or permitted) to subcontract out any part of their work, and support services should be provided to such employees in the same manner and to the same extent as such services are provided to mission direct-hire employees.

The contract schedule "Statement of Duties", for which the individual employee is personally accountable, should have no provisions for subcontracting either personal or non-personal services, and funds for subcontracting have no place in the budget of a personal service contract.