**All personal services contracts require a Business Case.** The purpose of the Business Case is to document the reasons why the Department is contracting out for labor needs. The level of detail depends on the nature of the contract services. Contracting for functions or programs performed by state employees requires a detailed analysis. Not all Business Cases will need all three sections completed. Please consider carefully before skipping any section as Chapter 10 of the department of Personnel’s rules requires these three areas to be addressed.

1. **Accountability**

 Accountability addresses whether governmental authority is being improperly delegated. For example, a contractor should not be tasked with policy-making for the Community College of Denver or supervising state employees. If a contract is mandated by statute, it should be addressed in this section.

**2. Cost Analysis**

Cost needs to be considered for all contracts. Cost analysis should establish that contracting out these services is a better value for the State, now or through anticipated savings in future years. A cost analysis **must be included** if hiring a leased worker (temporary worker through an agency). If contracting out is not cheaper, address the advantages, such as efficiency, timeliness, or the contractor’s qualifications, in the Quality section. If the contract impacts state employees, then a cost comparison form **must** be completed and **must** show cost savings. Include all actions taken to mitigate the effect of the contract on state employees.

1. **Quality**

Quality addresses timeliness, functionality, durability, efficiency, the contractor’s qualifications or flexibility of obtaining services from a contractor. For example, the contractor can provide technology that the state cannot, or the contractor provides experience and expertise that is not available within the state personnel system.