



**STATE OF NEVADA
GOVERNOR'S FINANCE OFFICE**

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ALL AGENCY MEMO #2016-12

Date: October 21, 2016
To: All Agencies
From: James R. Wells, CPA, Director
Governor's Finance Office 
Subject: Emergency Contracts with Former Employees

Pursuant to subsection 4 of NRS 333.705, agencies may contract with a person who is a current or former employee without the approval of the State Board of Examiners (Board) if the term of the contract is for less than 4 months AND the head of the agency determines that an emergency exists. Such a contract must be presented to the Board and the Board shall notify the agency whether it would have approved the contract if it were submitted using the non-emergency process.

At its October 11, 2016 meeting, the Board expressed concern with the frequency and volume of contracts with current and former employees entered into under the emergency provisions of subsection 4. The Board indicated its desire to reduce the number of requests submitted through the provisions of subsection 4 and to put a greater emphasis on the description of the emergency in determining whether or not to provide a positive recommendation on the use of the emergency provisions to the requesting agency.

All requests to the Board for consideration of a favorable recommendation of the agency's use of the emergency provisions of subsection 4 of NRS 333.705 must include answers to the following questions:

1. What task(s) created the emergency?
2. Who would normally have completed the task(s)?
3. Why was/were that/those individual(s) unable to complete the task(s)?
 - a. Were there any other individuals who could have completed the task(s)?
 - b. If so, what prevented those individuals from completing the task(s)?
 - c. If not, what is the agency doing to train additional employees to cover the task(s) when positions are vacant in order to prevent future emergency requests?

4. Does the agency have a succession plan or training plan in place to transfer knowledge from individuals who are leaving the agency due to planned retirements or departures?
 - a. If not, what is preventing the agency from doing so?
 - b. If so, why did that succession plan or training plan not prevent the emergency request under consideration from occurring?
5. How would the agency have been impacted if the task(s) had not been completed until the agency went through the process of asking for permission to contract with a former employee through the normal preapproval process outlined in subsection 1 of NRS 333.705?

Further, there have been several requests extending beyond the 4 month time period allowed under the provisions of subsection 4 of NRS 333.705. All future requests to hire a current or former employee under the emergency provisions which extend beyond the 4 months allowed pursuant to subsection 4 must be submitted as two requests; one under the emergency provisions of subsection 4, including responses to the questions above, and a second seeking permission to contract with the current or former employee pursuant to subsection 1 of NRS 333.705 for any time period beyond the 4 months allowed pursuant to the emergency provisions of subsection 4. Agencies must submit requests under subsection 1 to the Board in sufficient time for the Board to take an action to approve the request prior to the effective date of the contract with the current or former employee.

Agencies should make all practical attempts to plan accordingly and comply with the use of the non-emergency procedures outlined in SAM Chapter 0300 and subsection 1 of NRS 333.705 when requesting to contract with a current or former State employee.

Please address any questions to your assigned analyst.