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STATE OF NEVADA GOVERNOR'S FINANCE OFFICE Budget Division

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ALL AGENCY MEMO #2017-20

December 29, 2017

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To:

All Agencies

From:

James R. Wells, Director

Governor's Finance Office

Subject:

Use of Provider Agreement Contracts for Services

Pursuant to NRS 353.040, the State Board of Examiners ("Board") has the authority to establish policies and procedures for its government not inconsistent with law. The Board has used this authority to approve the use of Provider Agreement Contract for Services of Independent Contractor forms ("Provider Agreements") for various State agencies. A Provider Agreement is a pre-approved template where the Board has approved the terms and conditions, scope of work and payment terms to allow a specific agency to enter into contractual arrangements with vendors without having to obtain additional approval from the Board for the specific contract, regardless of the dollar amount. The underlying premise of using Provider Agreements is to expedite standardized contracts for specific purposes authorized by the Board.

Recent reviews of the use of certain Provider Agreements have shown inappropriate use of the agreements, and a decision has been made to discontinue their use. In order to determine the impact of this change, please provide information for each provider agreement by completing and submitting the attached worksheet to your assigned Executive Branch Budget Officer in accordance with the deadlines for the February 13, 2018 Board of Examiners meeting.

The Board will not consider any future requests for new or revised Provider Agreements, and, <u>effective immediately</u>, <u>agencies are no longer allowed to enter into new agreements with vendors using any previously approved Provider Agreements</u>. Agencies with the need for new contracts for services must have them approved in accordance with the normal Board of Examiners thresholds.

Agencies must terminate any active, ongoing Provider Agreements no later than June 30, 2018 regardless of the expiration date of the contract. New contracts to replace the Provider Agreements must be submitted for Board approval in time to begin using them by July 1. If there are a significant number of new contracts required, it is preferable to submit them over several months in order to mitigate workloads. Existing Provider Agreements may be extended, but cannot be used to pay a vendor for services after June 30, 2018.

For new agreements with providers, agencies may consider the use of Master Service Agreements if it could be applied to the services being procured. Otherwise, Contracts for Services of an Independent Contractor should be submitted in accordance with Board approval thresholds.

If you have questions regarding this policy, please contact your assigned Executive Branch Budget Officer. If you have questions regarding the procurement processes, please contact the State Purchasing Division of the Department of Administration.

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| FY 2018 Payments YTD | | |
| FY 2017 Payments | | |
| Area* | | |

Totals

*Area - North, South, Rural, Statewide

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