



DEPARTMENT OF ADMINISTRATION

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ALL AGENCY MEMORANDUM #2011-35

October 26, 2011

TO: All Agencies

FROM: Jeff Mohlenkamp, Director
Department of Administration

SUBJECT: Contracting for Services with Current or Former State Employees, and Secondary Employment

In response to Assembly Bill 240, on October 11, 2011, the Board of Examiners (BOE) approved a new policy and process for state agencies contracting for services with:

- Current or former state employees as defined in the new policy
- Contractors that employ current or former state employees to perform the contracted services
- Current or former state employees provided by a temporary employment agency

The new policy and process appear in the [State Administrative Manual \(SAM\), sections 322, 323, and 344](#) revisions posted on the Department of Administration's Purchasing Division's website. This applies to all contracts or amendments, regardless of the anticipated amount. This policy does not apply to grants, sub-grants, or volunteers. Additionally, new requirements were created for current state employees to disclose secondary employment.

The new policy creates a two-step approval process for all contracts or contract amendments with current or former employees identified above effective after October 11, 2011.

Step 1:

The BOE must approve the contractual relationship with a current or former employee prior to the agency signing the contract or submitting the contract to the Budget Office for approval. Therefore, the agency must submit the Authorization to Contract with a Current Employee form or Authorization to Contract with a former Employee form to the Budget Office to be placed as an Action Item on the agenda for the BOE approval.

Step 2:

Once the BOE approves the Authorization to Contract, the agency may sign the contract or submit the contract to the Budget Division requesting approval. If the contract requires the BOE approval, step 1 and step 2 involve two separate meetings to complete the process so the agencies should take this into consideration when preparing their contracts.

Related to the approved SAM changes, the state amended or created forms found on the Purchasing Division's website under the "[Contracting Tool Box](#)":

- Contract for Services of Independent Contractor (Template revised October 2011)
- Authorization to Contract with a Current Employee
- Authorization to Contact with a Former Employee
- Secondary Employment

Agencies will also see changes in CETS on the Other Info tab and CETS generated Contract Summary form to comply with the SAM changes. The [Online Tutorial for \(CETS\)](#) has also been updated to provide agencies with direction for the new entry requirements.

The policy and procedures were effective July 1, 2011, so agencies shall submit the following:

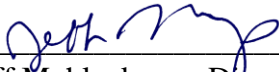
- For contracts or amendments with current or former employees, or contractors that employ current or former state employees to perform the contracted services, regardless of dollar amount, approved after June 30, 2011 but before the date of this memo, agencies shall submit the [Authorization to Contract](#) forms to the Budget Office to place as an Action Item on the agenda for the BOE approval.
- For contracts or amendments with current or former employees, or contractors that employ current or former state employees to perform the contracted services, regardless of dollar amount, approved on or before June 30, 2011, agencies shall submit the [Report for Contracts Prior to July 01, 2011](#) to the Budget Office.

Note: No retroactive approval is required of existing contracts involving current or former employees where the relationship existed prior to July 1, 2011 and where there has not been an amendment subsequent to July 1, 2011.

The authorization forms and the report discussed in the two previous bullets shall be submitted to the agency's assigned budget analyst no later than **November 4, 2011**.

Representatives from the Department of Administration will be conducting a workshop regarding contracting with current or former state employees. A separate memorandum regarding the workshop is forthcoming.

Questions concerning this memorandum should be submitted to the Purchasing Division electronically at nvpurch@admin.nv.gov with "Employee Contracting" in the subject line.



Jeff Mohlenkamp, Director