

# State of Nevada Ethics Manual Contracting

#### Key Take Away

This section of the Nevada Ethics Manual explains the exceptions to the general rule that public officers or employees are not allowed to enter into contracts with agencies if they have a significant financial interest in the business seeking the contract. However, there are exceptions below. <u>See NRS 281A.430</u>.

### Key Terms

**Competitive Bidding:** The process where different companies or individuals submit proposals to do a job or provide a service for a government agency. The agency reviews these proposals and chooses the best one based on various criteria, like cost and quality.

**Member of a Local Legislative Body:** A governing body of any political subdivision who performs any function that involves introducing, voting upon, or otherwise acting upon any matter of a permanent or general character which may reflect public policy. For example: A member of a board of county commissioners or a governing body of a city.

#### Contracting with Any Public Agency Prohibited

NRS 281A.430 prohibits public officers and employees from entering into a contract with any public agency. This restriction is NOT limited to the agency the public office or employee works for. For example, a public employee of Clark County may NOT enter into a contract with the City of Ely unless either:

- 1. the exceptions below apply <u>OR</u>
- 2. relief is granted by the Ethics Commission through requesting an advisory opinion.

#### Exception to the General Contracting Prohibition

General Exception Condition: Public officers and employees can bid on contracts if all of the following conditions are met:

- The contracting process follows the legal requirements for a competitive bidding process or the contract is exempt by law from a competitive contracting process,
- There are limited suppliers of that good or service,
- The public officer or employee has not contributed to developing the contract plans, <u>AND</u>
- They are not personally involved in the opening or consideration of bids or the agency accepting contract offers.



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#### **Special Contracting Rules**

- Same Agency Disclosure Requirement: If a public officer is bidding or entering into a contract with an agency <u>AND</u> that public officer is part of that agency's governing body, they must disclose their conflict of interest <u>AND</u> cannot vote on the contract.
- Local Legislative Body Members: Members of local legislative bodies can't sell goods or services to their governing agency unless certain conditions are met, such as public disclosure and approval by the legislative body.
- Board Members and Similar Bodies: Members of boards or commissions who are engaged in the profession, occupation, or business regulated by the board or commission on which they sit may, in the ordinary course of their business, bid on contracts if they are NOT part of the contract development process <u>AND</u> will NOT personally handle contract offers.
- Faculty Members of Higher Education: Faculty or staff of the Nevada System of Higher Education (NSHE) can engage in contracts with NSHE if they follow the Board of Regents' policies.

#### **Relief from these Restrictions**

If the situation of the public officer or employee does not meet the exceptions described in this section, the only way to pursue the contract and maintain compliance with the Ethics Law is to be granted relief from the Ethics Commission.

To seek relief from any of the contracting prohibitions of NRS 281A.430 you must submit a formal <u>request for an Advisory Opinion</u> to the Commission on Ethics. Clearly state which specific prohibition you are seeking relief from and provide all pertinent details and context surrounding your request.

Ensure that your request includes comprehensive justification for why relief is necessary, emphasizing factors such as the best interests of the public, the continued ethical integrity of the relevant agencies, and any relevant provisions of NRS Chapter 281A. Submit your request in writing to the Commission on Ethics and await their response. Note that their decision will be final and may be subject to judicial review.



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### **Compliance Tips**

- 1. Consult with your agency attorney before seeking or finalizing a private contract with any government agency.
- 2. Request an advisory opinion from the Commission.

#### Sample Opinions

- In re Public Officer, Comm'n Op. No. 19-009A (2019)
- In re Public Employee, Comm'n Op. No. 23-047A (2023)
- In re Public Employee, Comm'n Op. No. 24-011A (2024)