

VIRGINIA ACTS OF ASSEMBLY -- 1998 RECONVENED SESSION

CHAPTER 838

An Act to amend and reenact § 2.1-639.6 of the Code of Virginia, relating to contracts by officers and employees of state government prohibited by the State and Local Government Conflict of Interests Act.

[H 658]

Approved April 22, 1998

Be it enacted by the General Assembly of Virginia:

1. That § 2.1-639.6 of the Code of Virginia is amended and reenacted as follows:

§ 2.1-639.6. Prohibited contracts by officers and employees of state government.

A. No officer or employee of any governmental agency of state government shall have a personal interest in a contract with the governmental agency of which he is an officer or employee, other than his own contract of employment.

B. No officer or employee of any governmental agency of state government shall have a personal interest in a contract with any other governmental agency of state government unless such contract is (i) awarded as a result of competitive sealed bidding or competitive negotiation as defined in § 11-37 or (ii) is awarded after a finding, in writing, by the administrative head of the governmental agency that competitive bidding or negotiation is contrary to the best interest of the public.

C. The provisions of this section shall not be applicable to:

1. An employee's personal interest in additional contracts of employment with his own governmental agency which accrue to him because of a member of his immediate family, provided the employee does not exercise any control over the employment or the employment activities of the member of his immediate family and the employee is not in a position to influence those activities;

2. The personal interest of an officer or employee of a state institution of higher education in additional contracts of employment with his own governmental agency which accrue to him because of a member of his immediate family, provided (i) the officer or employee and the immediate family member are engaged in teaching, research or administrative support positions at the educational institution, (ii) the governing board of the educational institution finds that it is in the best interests of the institution and the Commonwealth for such dual employment to exist, and (iii) after such finding, the board ensures that the officer or employee, or the immediate family member, does not have sole authority to supervise, evaluate or make personnel decisions regarding the other;

3. An officer's or employee's personal interest in a contract of employment with any other governmental agency of state government;

4. Contracts for the sale by a governmental agency of services or goods at uniform prices available to the general public;

5. An employee's personal interest in a contract between a state institution of higher education and a publisher or wholesaler of textbooks or other educational materials for students, which accrues to him solely because he has authored or otherwise created such textbooks or materials;

6. *Subject to approval by the board of visitors*, an employee's personal interest in a contract between a state institution of higher education which operates a school of medicine or dentistry and a not-for-profit nonstock corporation which operates a clinical practice within such state institution and of which such employee is a member or employee; ~~or~~

7. *Subject to approval by the board of visitors*, an employee's personal interest in a contract for research and development *or commercialization of intellectual property* between a state institution of higher education and a business in which the employee has a personal interest, if (i) the employee's personal interest has been disclosed to and approved by the state institution of higher education prior to the time at which the contract is entered into; (ii) the employee promptly files a disclosure statement pursuant to § 2.1-639.15 and thereafter files such statement annually on or before January 15; ~~and~~ (iii) the institution has established a formal policy regarding such contracts, approved by the State Council of Higher Education; *and (iv) no later than December 31 of each year, the institution files an annual report with the Secretary of the Commonwealth disclosing each open contract entered subject to this provision, the names of the parties to each contract, the date each contract was executed and its term, the subject of each contractual arrangement, the nature of the conflict of interest, the institution's employee responsible for administering each contract, the details of the institution's commitment or investment of resources or finances for each contract, and any other information requested by the Secretary of the Commonwealth; or*

8. *Subject to approval by the board of visitors*, an employee's personal interest in a contract between a state institution of higher education and a business in which the employee has a personal interest, if (i) the personal interest has been disclosed to the institution prior to the time the contract is entered

into; (ii) the employee files a disclosure statement pursuant to § 2.1-639.15 and thereafter annually on or before January 15; (iii) the employee does not participate in the institution's decision to contract; (iv) the president of the institution finds and certifies in writing that the contract is for goods and services needed for quality patient care by the institution's medical center, including the acquisition of drugs, therapies and medical technologies; and (v) no later than December 31 of each year, the institution files an annual report with the Secretary of the Commonwealth disclosing each open contract entered subject to this provision, the names of the parties to each contract, the date each contract was executed and its term, the subject of each contractual arrangement, the nature of the conflict of interest, the institution's employee responsible for administering each contract, the details of the institution's commitment or investment of resources or finances for each contract, and any other information requested by the Secretary of the Commonwealth.