#### SENATE BILL NO. 407–COMMITTEE ON GOVERNMENT AFFAIRS

## (ON BEHALF OF WASHOE COUNTY)

## MARCH 15, 1999

#### Referred to Committee on Government Affairs

SUMMARY—Exempts certain construction and remodeling projects for counties from requirements of competitive bidding. (BDR 20-566)

FISCAL NOTE: Effect on Local Government: No. Effect on the State or on Industrial Insurance: No.

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EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to counties; exempting certain construction and remodeling projects for a county from the requirements of competitive bidding; and providing other matters properly relating thereto.

# THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- **Section 1.** NRS 244.286 is hereby amended to read as follows:
- 2 244.286 1. The board of county commissioners of any county may,
- 3 without competitive bidding, enter into an agreement with a person
- 4 whereby the person agrees to construct *or remodel* a *building or* facility
- according to specifications adopted by the board of county commissioners
- 6 and thereupon enter into a *lease*, a purchase agreement, or a lease-
- 7 purchase agreement with the board of county commissioners for that
- 8 building or facility.
- 2. The board of county commissioners may convey property to a
- person where the purpose of the conveyance is the entering into of an
- agreement contemplated by subsection 1.
- 3. The provisions of NRS 338.010 to 338.090, inclusive, apply to any
- agreement for the construction *or remodeling* of a building or facility
- entered into pursuant to subsection 1.
- Sec. 2. NRS 338.143 is hereby amended to read as follows:
- 16 338.143 1. Except as otherwise provided in subsection 6 and NRS
- 17 338.1906 and 338.1907, an agency or political subdivision of the state, or a

public officer, public employee or other person responsible for awarding a contract for the construction, alteration or repair of a public work, shall not:

- (a) Commence such a project, for which the estimated cost exceeds \$100,000, unless it advertises in a newspaper of general circulation in the state for bids for the project; or
- (b) Divide such a project into separate portions to avoid the requirements of paragraph (a).

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- Except as otherwise provided in subsection 6, a public body that maintains a list of properly licensed contractors who are interested in receiving offers to bid on public works projects for which the estimated cost is more than \$25,000 but less than \$100,000 shall solicit bids from not more than three of the contractors on the list for a contract of that value for the construction, alteration or repair of a public work. The public body shall select contractors from the list in such a manner as to afford each contractor an equal opportunity to bid on a public works project. A properly licensed contractor must submit a written request annually to the public body to remain on the list. Offers for bids which are made pursuant to this subsection must be sent by certified mail.
- Approved plans and specifications for the bids must be on file at a place and time stated in the advertisement for the inspection of all persons desiring to bid thereon and for other interested persons. Contracts for the project must be awarded on the basis of bids received.
- Any or all bids received in response to an advertisement for bids may be rejected if the person responsible for awarding the contract 24 determines that:
  - (a) The bidder is not responsive or responsible;
  - (b) The quality of the services, materials, equipment or labor offered does not conform to the approved plan or specifications; or
    - (c) The public interest would be served by such a rejection.
  - Before an agency or political subdivision of the state may commence a project subject to the provisions of this section, based upon a determination that the public interest would be served by rejecting any bids received in response to an advertisement for bids, it shall prepare and make available for public inspection a written statement containing:
  - (a) A list of all persons, including supervisors, who the agency or political subdivision intends to assign to the project, together with their classifications and an estimate of the direct and indirect costs of their labor;
- 38 (b) A list of all equipment that the agency or political subdivision intends to use on the project, together with an estimate of the number of 40 hours each item of equipment will be used and the hourly cost to use each item of equipment; 41
- (c) An estimate of the cost of administrative support for the persons 42 assigned project;

- (d) An estimate of the total cost of the project; and
- (e) An estimate of the amount of money the agency or political subdivision expects to save by rejecting the bids and performing the project itself.
  - 6. This section does not apply to:

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- (a) Any construction or remodeling of a building or facility pursuant to NRS 244.286;
  - (b) Any utility subject to the provisions of chapter 318 or 710 of NRS;
- 9 [(b)] (c) Any work of construction, reconstruction, improvement and maintenance of highways subject to NRS 408.323 or 408.327;
- 11 [(c)] (d) Normal maintenance of the property of a school district; or
- 12 [(d)] (e) The Las Vegas Valley water district created pursuant to chapter 167, Statutes of Nevada 1947.
- Sec. 3. NRS 338.143 is hereby amended to read as follows:
  - 338.143 1. Except as otherwise provided in subsection 6, an agency or political subdivision of the state, or a public officer, public employee or other person responsible for awarding a contract for the construction, alteration or repair of a public work, shall not:
  - (a) Commence such a project, for which the estimated cost exceeds \$100,000, unless it advertises in a newspaper of general circulation in the state for bids for the project; or
  - (b) Divide such a project into separate portions to avoid the requirements of paragraph (a).
  - 2. Except as otherwise provided in subsection 6, a public body that maintains a list of properly licensed contractors who are interested in receiving offers to bid on public works projects for which the estimated cost is more than \$25,000 but less than \$100,000 shall solicit bids from not more than three of the contractors on the list for a contract of that value for the construction, alteration or repair of a public work. The public body shall select contractors from the list in such a manner as to afford each contractor an equal opportunity to bid on a public works project. A properly licensed contractor must submit a written request annually to the public body to remain on the list. Offers for bids which are made pursuant to this subsection must be sent by certified mail.
  - 3. Approved plans and specifications for the bids must be on file at a place and time stated in the advertisement for the inspection of all persons desiring to bid thereon and for other interested persons. Contracts for the project must be awarded on the basis of bids received.
- 4. Any or all bids received in response to an advertisement for bids may be rejected if the person responsible for awarding the contract determines that:
- 42 (a) The bidder is not responsive or responsible;

- (b) The quality of the services, materials, equipment or labor offered does not conform to the approved plan or specifications; or
  - (c) The public interest would be served by such a rejection.
- 5. Before an agency or political subdivision of the state may commence a project subject to the provisions of this section, based upon a determination that the public interest would be served by rejecting any bids
- received in response to an advertisement for bids, it shall prepare and make available for public inspection a written statement containing:
- (a) A list of all persons, including supervisors, who the agency or political subdivision intends to assign to the project, together with their classifications and an estimate of the direct and indirect costs of their labor;
- 12 (b) A list of all equipment that the agency or political subdivision 13 intends to use on the project, together with an estimate of the number of 14 hours each item of equipment will be used and the hourly cost to use each 15 item of equipment;
  - (c) An estimate of the cost of administrative support for the persons assigned to the project;
    - (d) An estimate of the total cost of the project; and
- 19 (e) An estimate of the amount of money the agency or political 20 subdivision expects to save by rejecting the bids and performing the project 21 itself.
  - 6. This section does not apply to:

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- 23 (a) Any construction or remodeling of a building or facility pursuant to NRS 244.286;
- 25 **(b)** Any utility subject to the provisions of chapter 318 or 710 of NRS;
- 26 (c) Any work of construction, reconstruction, improvement and maintenance of highways subject to NRS 408.323 or 408.327;
- 28 [(c)] (d) Normal maintenance of the property of a school district; or
- 29 [(d)] (e) The Las Vegas Valley water district created pursuant to chapter 167, Statutes of Nevada 1947.
- Sec. 4. 1. This section and sections 1 and 2 of this act become effective on October 1, 1999.
- 2. Section 3 of this act becomes effective at 12:01 a.m. on May 1, 2013.
- 3. Section 2 of this act expires by limitation on May 1, 2013.

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