ASSEMBLY BILL NO. 155-COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF NEVADA LEAGUE OF CITIES AND MUNICIPALITIES)

FEBRUARY 15, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing substitution of subcontractor who is named in bid for public work or improvement. (BDR 28-366)

FISCAL NOTE: Effect on Local Government: 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 public works; revising the provisions governing the substitution of a subcontractor who is named in a bid for a public work or improvement; 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 338.141 is hereby amended to read as follows:

338.141 1. Except as otherwise provided in subsection 2, each bid submitted to any officer, department, board or commission for the construction of any public work or improvement must include:

(a) The name of each subcontractor who will provide labor or a portion of the work or improvement to the contractor for which he will be paid an amount exceeding 5 percent of the prime contractor's total bid. Within 2 hours after the completion of the opening of the bids, the general contractors who submitted the three lowest bids must submit a list **[off]** containing the name of each subcontractor who will provide labor or a portion of the work or improvement to the contractor for which he will be paid an amount exceeding 1 percent of the prime contractor's total bid or \$50,000, whichever is greater, and the number of the license issued to the subcontractor pursuant to chapter 624 of NRS. If a general contractor fails to submit such a list within the required time, his bid shall be deemed not responsive.

(b) A description of the portion of the work or improvement which each subcontractor named in the bid will complete.



2. The contractor shall list in his bid pursuant to subsection 1 the name of a subcontractor for each portion of the project that will be completed by a subcontractor.

- 3. A contractor whose bid is accepted shall not substitute any person for a subcontractor who is named in the bid, unless:
- (a) The awarding authority objects to the subcontractor, requests in writing a change in the subcontractor and pays any increase in costs resulting from the change; or
- (b) The substitution is approved by the awarding authority [and:] or an authorized representative of the awarding authority. The substitution must be approved if the awarding authority or authorized representative of the awarding authority determines that:
- (1) The *named* subcontractor, after having a reasonable opportunity, fails or refuses to execute a written contract with the contractor which was offered to the subcontractor with the same *general* terms that all other subcontractors on the project were offered;
- (2) The named subcontractor files for bankruptcy or becomes insolvent; or
- (3) The named subcontractor fails or refuses to perform his subcontract within a reasonable time or is unable to furnish a performance bond and payment bond pursuant to NRS 339.025.
- 4. As used in this section, "general terms" means the terms and conditions of a contract that set the basic requirements for a project and apply without regard to the particular trade or specialty of a subcontractor, but does not include any provision that controls or relates to the specific portion of the project that will be completed by a subcontractor, including, without limitation, the materials to be used by the subcontractor or other details of the work to be performed by the subcontractor.
- **Sec. 2.** The amendatory provisions of section 1 of this act do not apply to a public work or improvement for which a bid has been submitted before the effective date of this act.
 - **Sec. 3.** This act becomes effective upon passage and approval.

