

ASSEMBLY BILL NO. 493—ASSEMBLYMEN HUMKE, GIBBONS,  
BROWN, MORTENSON AND NEIGHBORS

MARCH 19, 2001

Referred to Committee on Government Affairs

SUMMARY—Requires contracts for services concerning certain insurance of this state to be awarded through qualification-based bidding process. (BDR 27-1013)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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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 state risk management; requiring that a contract for services for certain insurance be awarded through a qualification-based bidding process; and providing other matters properly relating thereto.

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

- 1     **Section 1.** Chapter 331 of NRS is hereby amended by adding thereto  
2     the provisions set forth as sections 2 and 3 of this act.  
3     **Sec. 2. 1. *An agent or broker hired pursuant to subsection 3 of***  
4     ***NRS 331.184 must be chosen through a qualification-based bidding***  
5     ***process, as the result of a request for proposals issued by the state risk***  
6     ***manager.***  
7     **2. *A request for proposals prepared pursuant to this section must***  
8     ***identify:***  
9     ***(a) The education, experience and demonstrated expertise of the agent***  
10    ***or broker in the particular type of insurance for which services are***  
11    ***required.***  
12    ***(b) The demonstrated ability of the agent or broker to identify and***  
13    ***accommodate factors that are unique to the provision of the required***  
14    ***services in this state.***  
15    ***(c) The ability of the agent or broker to provide the services required.***  
16    **3. *The state risk manager shall determine the relative weight of each***  
17    ***factor set forth in subsection 2 before a request for proposals is***  
18    ***advertised. In determining the relative weight of each factor, he shall***  
19    ***give particular attention to the ability of an agent or broker to identify***  
20    ***and accommodate factors that are unique to the provision of the required***  
21    ***services in this state.***



\* A B 4 9 3 \*

- 1     4. The state risk manager shall give reasonable notice, by advertising  
2 and by written notice mailed to persons, firms or corporations in a  
3 position to furnish the services required, of a request for proposals. Each  
4 notice must be published in at least one newspaper of general circulation  
5 in this state.
- 6     5. The notice required by this section inviting the submission of  
7 sealed proposals to the state risk manager must contain:  
8     (a) A description of the services required.  
9     (b) Where and how specifications and any other necessary  
10 information may be obtained.  
11     (c) The date and time not later than which responses must be received  
12 by the state risk manager.  
13     (d) The date and time when responses will be opened.
- 14     6. A proposal received in response to a request for proposals issued  
15 pursuant to this section is a public record and must be reviewed in a  
16 public meeting conducted pursuant to the provisions of chapter 241 of  
17 NRS.
- 18     7. A contract awarded pursuant to this section must be awarded to  
19 the best qualified agent or broker. The award of the contract must be  
20 based upon:  
21     (a) The best interests of this state;  
22     (b) The qualifications and abilities of the agent or broker to provide  
23 services that can best serve the interests of this state;  
24     (c) The education, experience and demonstrated expertise of the agent  
25 or broker that is relevant to the contract for which his services are  
26 required; and  
27     (d) The knowledge of the agent or broker of the factors that are  
28 appropriate for the provision of services required for this state.
- 29     8. In awarding the contract, the state risk manager shall not consider  
30 the projections of the cost of an insurance contract that results from the  
31 proposed services.
- 32     9. A contract entered into pursuant to this section:  
33     (a) Must be in writing and signed by each party to the contract; and  
34     (b) Must not exceed 2 years, but may be extended if a subsequent  
35 request for proposals produces only a response from the agent or broker  
36 who holds the existing contract.
- 37     10. The state risk manager shall establish procedures to carry out the  
38 provisions of this section.
- 39     11. As used in this section, "request for proposals" means a written  
40 statement that sets forth the requirements and specifications of a contract  
41 to be awarded by competitive selection.
- 42     **Sec. 3.** 1. A person who makes an unsuccessful proposal pursuant  
43 to section 2 of this act may file a notice of appeal with the hearings  
44 division of the department of administration within 10 days after the date  
45 of award. No bond is required of a person who wishes to appeal the  
46 award. The notice of appeal must include a written statement of the  
47 issues to be addressed on appeal.
- 48     2. Within 20 days after receipt of the notice of appeal, a hearing  
49 officer of the hearings division of the department of administration shall



1 *hold a contested hearing on the appeal in substantial compliance with*  
2 *the provisions of NRS 233B.121 to 233B.1235, inclusive, 233B.125 and*  
3 *233B.126.*

4 *3. The hearing officer may cancel the award for lack of compliance*  
5 *with the provisions of section 2 of this act. A cancellation of the award*  
6 *requires readvertising for proposals and a new award in accordance with*  
7 *the provisions of section 2 of this act.*

8 *4. A notice of appeal filed in accordance with the provisions of this*  
9 *section operates as a stay of action in relation to any contract until a*  
10 *determination is made by the hearing officer on the appeal.*

11 *5. A person who makes an unsuccessful proposal may not seek any*  
12 *type of judicial intervention until the hearing officer has made a*  
13 *determination on the appeal.*

14 *6. Neither the State of Nevada, nor any agency, contractor,*  
15 *department, division, employee or officer of this state is liable for any*  
16 *costs, expenses, attorney's fees, loss of income or other damages*  
17 *sustained by a person who makes an unsuccessful proposal, whether or*  
18 *not the person files a notice of appeal pursuant to this section.*

19 **Sec. 4.** This act becomes effective on July 1, 2001.

