

(REPRINTED WITH ADOPTED AMENDMENTS)
FIRST REPRINT

S.B. 63

SENATE BILL NO. 63—COMMITTEE ON GOVERNMENT AFFAIRS

PREFILED JANUARY 31, 2001

Referred to Committee on Government Affairs

SUMMARY—Makes various changes to provisions relating to bidding on and awarding contracts for public works projects. (BDR 28-754)

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 public works projects; authorizing public bodies and local governments to award contracts for certain public works projects to specialty contractors; specifying that certain requirements for receiving a certificate for preference in bidding must be satisfied while licensed as a general contractor or specialty contractor; requiring the state contractors' board to issue a certificate of eligibility to receive a preference in bidding to a specialty contractor under certain circumstances; allowing general contractors and specialty contractors to receive a preference for bidding on public works by purchasing a contractor that possesses such a preference; 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 338 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2, 3 and 4 of this act.
3 **Sec. 2.** *A specialty contractor may qualify as a bidder on a project*
4 *pursuant to NRS 338.1379 if the project is:*
5 1. *Not part of a larger public work;*
6 2. *Limited in scope to:*
7 (a) *Removal of asbestos;*
8 (b) *Replacement of equipment or systems for heating, ventilation and*
9 *air conditioning;*
10 (c) *Replacement of a roof;*
11 (d) *Landscaping; or*
12 (e) *Repair or renovation of an existing facility or an addition to an*
13 *existing facility if the cost of related offsite and onsite work does not*
14 *exceed the cost of repair, renovation or addition; and*
15 3. *Limited in scope to the craft for which the specialty contractor is*
16 *licensed.*



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1 **Sec. 3.** *If a specialty contractor is awarded a contract pursuant to*
2 *NRS 338.1389 and during the course of the project, work arises that is*
3 *outside the scope of work for which the specialty contractor is licensed,*
4 *the specialty contractor shall contract with a subcontractor to perform*
5 *the work.*

6 **Sec. 4.** *1. A local government may award a contract to a specialty*
7 *contractor pursuant to NRS 338.147 if the project is:*

8 *(a) Not part of a larger public work;*

9 *(b) Limited in scope to:*

10 *(1) Removal of asbestos;*

11 *(2) Replacement of equipment or systems for heating, ventilation*
12 *and air conditioning;*

13 *(3) Replacement of a roof;*

14 *(4) Landscaping; or*

15 *(5) Repair or renovation of an existing facility or an addition to an*
16 *existing facility if the cost of all related offsite and onsite work does not*
17 *exceed the total cost of the repair, renovation or addition to the existing*
18 *facility; and*

19 *(c) Limited in scope to the craft for which the specialty contractor is*
20 *licensed.*

21 *2. If a specialty contractor is awarded a contract pursuant to NRS*
22 *338.147 and during the course of the project, work arises that is outside*
23 *the scope of work for which the specialty contractor is licensed, the*
24 *specialty contractor shall contract with a subcontractor to perform the*
25 *work.*

26 **Sec. 5.** NRS 338.010 is hereby amended to read as follows:

27 338.010 As used in this chapter:

28 1. "Day labor" means all cases where public bodies, their officers,
29 agents or employees, hire, supervise and pay the wages thereof directly to a
30 workman or workmen employed by them on public works by the day and
31 not under a contract in writing.

32 2. "Design-build contract" means a contract between a public body
33 and a design-build team in which the design-build team agrees to design
34 and construct a public work.

35 3. "Design-build team" means an entity that consists of:

36 (a) At least one person who is licensed as a general engineering
37 contractor or a general building contractor pursuant to chapter 624 of NRS;
38 and

39 (b) For a public work that consists of:

40 (1) A building and its site, at least one person who holds a certificate
41 of registration to practice architecture pursuant to chapter 623 of NRS.

42 (2) Anything other than a building and its site, at least one person
43 who holds a certificate of registration to practice architecture pursuant to
44 chapter 623 of NRS or is licensed as a professional engineer pursuant to
45 chapter 625 of NRS.

46 4. "Design professional" means a person with a professional license or
47 certificate issued pursuant to chapter 623, 623A or 625 of NRS.

48 5. "Eligible bidder" means a person who is:



- 1 (a) Found to be a responsible and responsive contractor by a local
2 government which requests bids for a public work in accordance with
3 paragraph (b) of subsection 1 of NRS 338.1373; or
4 (b) Determined by a public body which awarded a contract for a public
5 work pursuant to NRS 338.1375 to 338.1389, inclusive, to be qualified to
6 bid on that contract pursuant to NRS 338.1379 or was exempt from
7 meeting such qualifications pursuant to NRS 338.1383.
8 6. *“General contractor” means a person who is licensed to conduct*
9 *business in one, or both, of the following branches of the contracting*
10 *business:*
11 *(a) General engineering contracting, as described in subsection 2 of*
12 *NRS 624.215.*
13 *(b) General building contracting, as described in subsection 3 of NRS*
14 *624.215.*
15 7. “Local government” means every political subdivision or other
16 entity which has the right to levy or receive money from ad valorem or
17 other taxes or any mandatory assessments, and includes, without limitation,
18 counties, cities, towns, boards, school districts and other districts organized
19 pursuant to chapters 244A, 309, 318, 379, 474, 541, 543 and 555 of NRS,
20 NRS 450.550 to 450.750, inclusive, and any agency or department of a
21 county or city which prepares a budget separate from that of the parent
22 political subdivision.
23 ~~7-1~~ 8. “Offense” means failing to:
24 (a) Pay the prevailing wage required pursuant to this chapter;
25 (b) Pay the contributions for unemployment compensation required
26 pursuant to chapter 612 of NRS; or
27 (c) Provide and secure compensation for employees required pursuant
28 to chapters 616A to 617, inclusive, of NRS.
29 ~~8-1~~ 9. “Prime contractor” means a person who:
30 (a) Contracts to construct an entire project;
31 (b) Coordinates all work performed on the entire project;
32 (c) Uses his own work force to perform all or a part of the construction,
33 repair or reconstruction of the project; and
34 (d) Contracts for the services of any subcontractor or independent
35 contractor or is responsible for payment to any contracted subcontractors or
36 independent contractors.
37 ~~9-1~~
38 *The term includes, without limitation, a general contractor or a specialty*
39 *contractor who is authorized to bid on a project pursuant to section 2 or*
40 *4 of this act.*
41 10. “Public body” means the state, county, city, town, school district or
42 any public agency of this state or its political subdivisions sponsoring or
43 financing a public work.
44 ~~10-1~~ 11. “Public work” means any project for the new construction,
45 repair or reconstruction of:
46 (a) A project financed in whole or in part from public money for:
47 (1) Public buildings;
48 (2) Jails and prisons;
49 (3) Public roads;



- 1 (4) Public highways;
2 (5) Public streets and alleys;
3 (6) Public utilities which are financed in whole or in part by public
4 money;
5 (7) Publicly owned water mains and sewers;
6 (8) Public parks and playgrounds;
7 (9) Public convention facilities which are financed at least in part
8 with public funds; and
9 (10) All other publicly owned works and property whose cost as a
10 whole exceeds \$20,000. Each separate unit that is a part of a project is
11 included in the cost of the project to determine whether a project meets that
12 threshold.
- 13 (b) A building for the University and Community College System of
14 Nevada of which 25 percent or more of the costs of the building as a whole
15 are paid from money appropriated by this state or from federal money.
- 16 ~~H11~~ 12. "Specialty contractor" means a contractor whose operations
17 as such are the performance of construction work requiring special skill
18 and whose principal contracting business involves the use of specialized
19 building trades or crafts.
- 20 ~~H12~~ 13. "Stand-alone underground utility project" means an
21 underground utility project that is not integrated into a larger project,
22 including, without limitation:
- 23 (a) An underground sewer line or an underground pipeline for the
24 conveyance of water, including facilities appurtenant thereto; and
- 25 (b) A project for the construction or installation of a storm drain,
26 including facilities appurtenant thereto,
27 that is not located at the site of a public work for the design and
28 construction of which a public body is authorized to contract with a design-
29 build team pursuant to subsection 2 of NRS 338.1711.
- 30 ~~H3~~ 14. "Wages" means:
- 31 (a) The basic hourly rate of pay; and
- 32 (b) The amount of pension, health and welfare, vacation and holiday
33 pay, the cost of apprenticeship training or other similar programs or other
34 bona fide fringe benefits which are a benefit to the workman.
- 35 ~~H4~~ 15. "Workman" means a skilled mechanic, skilled workman,
36 semiskilled mechanic, semiskilled workman or unskilled workman. The
37 term does not include a design professional.
- 38 **Sec. 6.** NRS 338.010 is hereby amended to read as follows:
39 338.010 As used in this chapter:
- 40 1. "Day labor" means all cases where public bodies, their officers,
41 agents or employees, hire, supervise and pay the wages thereof directly to a
42 workman or workmen employed by them on public works by the day and
43 not under a contract in writing.
- 44 2. "Eligible bidder" means a person who is:
- 45 (a) Found to be a responsible and responsive contractor by a local
46 government which requests bids for a public work in accordance with
47 paragraph (b) of subsection 1 of NRS 338.1373; or
- 48 (b) Determined by a public body which awarded a contract for a public
49 work pursuant to NRS 338.1375 to 338.1389, inclusive, to be qualified to



1 bid on that contract pursuant to NRS 338.1379 or was exempt from
2 meeting such qualifications pursuant to NRS 338.1383.

3 3. *“General contractor” means a person who is licensed to conduct*
4 *business in one, or both, of the following branches of the contracting*
5 *business:*

6 (a) *General engineering contracting, as described in subsection 2 of*
7 *NRS 624.215.*

8 (b) *General building contracting, as described in subsection 2 of NRS*
9 *624.215.*

10 4. “Local government” means every political subdivision or other
11 entity which has the right to levy or receive money from ad valorem or
12 other taxes or any mandatory assessments, and includes, without limitation,
13 counties, cities, towns, boards, school districts and other districts organized
14 pursuant to chapters 244A, 309, 318, 379, 474, 541, 543 and 555 of NRS,
15 NRS 450.550 to 450.750, inclusive, and any agency or department of a
16 county or city which prepares a budget separate from that of the parent
17 political subdivision.

18 ~~14~~ 5. “Offense” means failing to:

- 19 (a) Pay the prevailing wage required pursuant to this chapter;
20 (b) Pay the contributions for unemployment compensation required
21 pursuant to chapter 612 of NRS; or
22 (c) Provide and secure compensation for employees required pursuant
23 to chapters 616A to 617, inclusive, of NRS.

24 ~~15~~ 6. “Prime contractor” means a person who:

- 25 (a) Contracts to complete an entire project;
26 (b) Coordinates all work performed on the entire project;
27 (c) Uses his own work force to perform all or a part of the construction,
28 repair or reconstruction of the project; and
29 (d) Contracts for the services of any subcontractor or independent
30 contractor or is responsible for payment to any contracted subcontractors or
31 independent contractors.

32 ~~16~~
33 *The term includes, without limitation, a general contractor or a specialty*
34 *contractor who is authorized to bid on a project pursuant to section 2 or*
35 *4 of this act.*

36 7. “Public body” means the state, county, city, town, school district or
37 any public agency of this state or its political subdivisions sponsoring or
38 financing a public work.

39 ~~17~~ 8. “Public work” means any project for the new construction,
40 repair or reconstruction of:

- 41 (a) A project financed in whole or in part from public money for:
42 (1) Public buildings;
43 (2) Jails and prisons;
44 (3) Public roads;
45 (4) Public highways;
46 (5) Public streets and alleys;
47 (6) Public utilities which are financed in whole or in part by public
48 money;
49 (7) Publicly owned water mains and sewers;



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1 (8) Public parks and playgrounds;
2 (9) Public convention facilities which are financed at least in part
3 with public funds; and
4 (10) Any other publicly owned works and property whose cost as a
5 whole exceeds \$20,000. Each separate unit that is a part of a project is
6 included in the cost of the project to determine whether a project meets that
7 threshold.

8 (b) A building for the University and Community College System of
9 Nevada of which 25 percent or more of the costs of the building as a whole
10 are paid from money appropriated by this state or from federal money.

11 ~~18-1~~ 9. "Wages" means:

12 (a) The basic hourly rate of pay; and

13 (b) The amount of pension, health and welfare, vacation and holiday
14 pay, the cost of apprenticeship training or other similar programs or other
15 bona fide fringe benefits which are a benefit to the workman.

16 ~~19-1~~ 10. "Workman" means a skilled mechanic, skilled workman,
17 semiskilled mechanic, semiskilled workman or unskilled workman. The
18 term does not include a "design professional" as that term is defined in
19 NRS 338.155.

20 **Sec. 7.** NRS 338.1373 is hereby amended to read as follows:

21 338.1373 1. A local government shall award a contract for the
22 construction, alteration or repair of a public work pursuant to the
23 provisions of:

24 (a) NRS 338.1375 to 338.1389, inclusive ~~18-1~~, *and sections 2 and 3 of*
25 *this act*; or

26 (b) NRS 338.143, 338.145 and 338.147 ~~18-1~~ *and section 4 of this act.*

27 2. The provisions of NRS 338.1375 to 338.1383, inclusive, *and*
28 *section 2 of this act* do not apply with respect to contracts for the
29 construction, reconstruction, improvement and maintenance of highways
30 that are awarded by the department of transportation pursuant to NRS
31 408.313 to 408.433, inclusive.

32 **Sec. 8.** NRS 338.1389 is hereby amended to read as follows:

33 338.1389 1. Except as otherwise provided in NRS 338.1385 and
34 338.1711 to 338.1727, inclusive, a public body shall award a contract for a
35 public work to the contractor who submits the best bid.

36 2. Except as otherwise provided in subsection ~~18-1~~ 10 or limited by
37 subsection ~~19-1~~ 11, for the purposes of this section, a contractor who:

38 (a) Has been determined by the public body to be a qualified bidder
39 pursuant to NRS 338.1379 or is exempt from meeting such requirements
40 pursuant to NRS 338.1373 or 338.1383; and

41 (b) At the time he submits his bid, provides to the public body a copy of
42 a certificate of eligibility to receive a preference in bidding on public works
43 issued to him by the state contractors' board pursuant to subsection 3 ~~18-1~~
44 *or 4,*

45 shall be deemed to have submitted a better bid than a competing contractor
46 who has not provided a copy of such a valid certificate of eligibility if the
47 amount of his bid is not more than 5 percent higher than the amount bid by
48 the competing contractor.



1 3. The state contractors' board shall issue a certificate of eligibility to
2 receive a preference in bidding on public works to a general contractor who
3 is licensed pursuant to the provisions of chapter 624 of NRS and submits to
4 the board an affidavit from a certified public accountant setting forth that
5 the general contractor has ~~it~~, *while licensed as a general contractor in*
6 *this state:*

7 (a) Paid ~~it~~ *directly, on his own behalf:*

8 (1) The sales and use taxes imposed pursuant to chapters 372, 374
9 and 377 of NRS on materials used for construction in this state, including,
10 without limitation, construction that is undertaken or carried out on land
11 within the boundaries of this state that is managed by the Federal
12 Government or is on an Indian reservation or Indian colony, of not less
13 than \$5,000 for each consecutive 12-month period for 60 months
14 immediately preceding the submission of the affidavit from the certified
15 public accountant;

16 (2) The governmental services tax imposed pursuant to chapter 371
17 of NRS on the vehicles used in the operation of his business in this state of
18 not less than \$5,000 for each consecutive 12-month period for 60 months
19 immediately preceding the submission of the affidavit from the certified
20 public accountant; or

21 (3) Any combination of such sales and use taxes and governmental
22 services tax; or

23 (b) Acquired, by *purchase*, inheritance, gift or transfer through a stock
24 option plan, ~~for employees,~~ all the assets and liabilities of a viable,
25 operating construction firm that possesses a:

26 (1) License as a general contractor pursuant to the provisions of
27 chapter 624 of NRS; and

28 (2) Certificate of eligibility to receive a preference in bidding on
29 public works.

30 4. *The state contractors' board shall issue a certificate of eligibility to*
31 *receive a preference in bidding on public works to a specialty contractor*
32 *who is licensed pursuant to the provisions of chapter 624 of NRS and*
33 *submits to the board an affidavit from a certified public accountant*
34 *setting forth that the specialty contractor has, while licensed as a*
35 *specialty contractor in this state:*

36 (a) *Paid directly, on his own behalf:*

37 (1) *The sales and use taxes pursuant to chapters 372, 374 and 377*
38 *of NRS on materials used for construction in this state, including,*
39 *without limitation, construction that is undertaken or carried out on land*
40 *within the boundaries of this state that is managed by the Federal*
41 *Government or is on an Indian reservation or Indian colony, of not less*
42 *than \$5,000 for each consecutive 12-month period for 60 months*
43 *immediately preceding the submission of the affidavit from the certified*
44 *public accountant;*

45 (2) *The governmental services tax imposed pursuant to chapter 371*
46 *of NRS on the vehicles used in the operation of his business in this state*
47 *of not less than \$5,000 for each consecutive 12-month period for 60*
48 *months immediately preceding the submission of the affidavit from the*
49 *certified public accountant; or*



1 (3) *Any combination of such sales and use taxes and governmental*
2 *services tax; or*

3 (b) *Acquired, by purchase, inheritance, gift or transfer through a*
4 *stock option plan, all the assets and liabilities of a viable, operating*
5 *construction firm that possesses a:*

6 (1) *License as a specialty contractor pursuant to the provisions of*
7 *chapter 624 of NRS; and*

8 (2) *Certificate of eligibility to receive a preference in bidding on*
9 *public works.*

10 5. For the purposes of complying with the requirements set forth in
11 paragraph (a) of subsection 3 ~~1, a general~~ *and paragraph (a) of subsection*
12 *4, a* contractor shall be deemed to have paid:

13 (a) Sales and use taxes and governmental services taxes that were paid
14 in this state by an affiliate or parent company of the contractor, if the
15 affiliate or parent company is also a general contractor ~~1~~ *or specialty*
16 *contractor, as applicable;* and

17 (b) Sales and use taxes that were paid in this state by a joint venture in
18 which the contractor is a participant, in proportion to the amount of interest
19 the contractor has in the joint venture.

20 ~~5-1~~ 6. A contractor who has received a certificate of eligibility to
21 receive a preference in bidding on public works from the state contractors'
22 board pursuant to subsection 3 *or 4* shall, at the time for the annual renewal
23 of his contractor's license pursuant to NRS 624.283, submit to the board an
24 affidavit from a certified public accountant setting forth that the contractor
25 has, during the immediately preceding 12 months, paid the taxes required
26 pursuant to paragraph (a) of subsection 3 *or paragraph (a) of subsection 4,*
27 *as applicable,* to maintain his eligibility to hold such a certificate.

28 ~~16-1~~ 7. A contractor who fails to submit an affidavit to the board
29 pursuant to subsection ~~15-1~~ 6 ceases to be eligible to receive a preference in
30 bidding on public works unless he reapplies for and receives a certificate of
31 eligibility pursuant to subsection 3 ~~1~~
32 ~~7-1~~ *or 4, as applicable.*

33 8. *If a contractor holds more than one contractor's license, he must*
34 *submit a separate application for each license pursuant to which he*
35 *wishes to qualify for a preference in bidding. Upon issuance, the*
36 *certificate of eligibility to receive a preference in bidding on public works*
37 *becomes part of the contractor's license for which the contractor*
38 *submitted the application.*

39 9. If a contractor who applies to the state contractors' board for a
40 certificate of eligibility to receive a preference in bidding on public works
41 submits false information to the board regarding the required payment of
42 taxes, the contractor is not eligible to receive a preference in bidding on
43 public works for a period of 5 years after the date on which the board
44 becomes aware of the submission of the false information.

45 ~~18-1~~ 10. If any federal statute or regulation precludes the granting of
46 federal assistance or reduces the amount of that assistance for a particular
47 public work because of the provisions of subsection 2, those provisions do
48 not apply insofar as their application would preclude or reduce federal



1 assistance for that work. The provisions of subsection 2 do not apply to any
2 contract for a public work which is expected to cost less than \$250,000.

3 ~~9-1~~ 11. Except as otherwise provided in subsection 2 of NRS
4 338.1727, if a bid is submitted by two or more contractors as a joint
5 venture or by one of them as a joint venturer, the provisions of subsection 2
6 apply only if both or all of the joint venturers separately meet the
7 requirements of that subsection.

8 ~~10-1~~ 12. The state contractors' board shall adopt regulations and may
9 assess reasonable fees relating to the certification of contractors for a
10 preference in bidding on public works.

11 ~~11-1~~ 13. A person or entity who believes that a contractor wrongfully
12 holds a certificate of eligibility to receive a preference in bidding on public
13 works may challenge the validity of the certificate by filing a written
14 objection with the public body to which the contractor has submitted a bid
15 or proposal on a contract for the construction of a public work. A written
16 objection authorized pursuant to this subsection must:

17 (a) Set forth proof or substantiating evidence to support the belief of the
18 person or entity that the contractor wrongfully holds a certificate of
19 eligibility to receive a preference in bidding on public works; and

20 (b) Be filed with the public body at or after the time at which the
21 contractor submitted the bid or proposal to the public body and before the
22 time at which the public body awards the contract for which the bid or
23 proposal was submitted.

24 ~~12-1~~ 14. If a public body receives a written objection pursuant to
25 subsection ~~11-1~~ 13, the public body shall determine whether the objection
26 is accompanied by the proof or substantiating evidence required pursuant
27 to paragraph (a) of that subsection. If the public body determines that the
28 objection is not accompanied by the required proof or substantiating
29 evidence, the public body shall dismiss the objection and may proceed
30 immediately to award the contract. If the public body determines that the
31 objection is accompanied by the required proof or substantiating evidence,
32 the public body shall determine whether the contractor qualifies for the
33 certificate pursuant to the provisions of this section and may proceed to
34 award the contract accordingly.

35 **Sec. 9.** NRS 338.1389 is hereby amended to read as follows:

36 338.1389 1. Except as otherwise provided in NRS 338.1385, a public
37 body shall award a contract for a public work to the contractor who
38 submits the best bid.

39 2. Except as otherwise provided in subsection ~~10-1~~ 10 or limited by
40 subsection ~~9-1~~ 11, for the purposes of this section, a contractor who:

41 (a) Has been determined by the public body to be a qualified bidder
42 pursuant to NRS 338.1379 or is exempt from meeting such requirements
43 pursuant to NRS 338.1373 or 338.1383; and

44 (b) At the time he submits his bid, provides to the public body a copy of
45 a certificate of eligibility to receive a preference in bidding on public works
46 issued to him by the state contractors' board pursuant to subsection 3 ~~11-1~~
47 or 4,

48 shall be deemed to have submitted a better bid than a competing contractor
49 who has not provided a copy of such a valid certificate of eligibility if the



1 amount of his bid is not more than 5 percent higher than the amount bid by
2 the competing contractor.

3 3. The state contractors' board shall issue a certificate of eligibility to
4 receive a preference in bidding on public works to a general contractor who
5 is licensed pursuant to the provisions of chapter 624 of NRS and submits to
6 the board an affidavit from a certified public accountant setting forth that
7 the general contractor has ~~H~~, *while licensed as a general contractor in*
8 *this state:*

9 (a) Paid ~~H~~ *directly, on his own behalf:*

10 (1) The sales and use taxes imposed pursuant to chapters 372, 374
11 and 377 of NRS on materials used for construction in this state, including,
12 without limitation, construction that is undertaken or carried out on land
13 within the boundaries of this state that is managed by the Federal
14 Government or is on an Indian reservation or Indian colony, of not less
15 than \$5,000 for each consecutive 12-month period for 60 months
16 immediately preceding the submission of the affidavit from the certified
17 public accountant;

18 (2) The governmental services tax imposed pursuant to chapter 371
19 of NRS on the vehicles used in the operation of his business in this state of
20 not less than \$5,000 for each consecutive 12-month period for 60 months
21 immediately preceding the submission of the affidavit from the certified
22 public accountant; or

23 (3) Any combination of such sales and use taxes and governmental
24 services tax; or

25 (b) Acquired, by *purchase*, inheritance, gift or transfer through a stock
26 option plan, ~~for employees,~~ all the assets and liabilities of a viable,
27 operating construction firm that possesses a:

28 (1) License as a general contractor pursuant to the provisions of
29 chapter 624 of NRS; and

30 (2) Certificate of eligibility to receive a preference in bidding on
31 public works.

32 4. *The state contractors' board shall issue a certificate of eligibility to*
33 *receive a preference in bidding on public works to a specialty contractor*
34 *who is licensed pursuant to the provisions of chapter 624 of NRS and*
35 *submits to the board an affidavit from a certified public accountant*
36 *setting forth that the specialty contractor has, while licensed as a*
37 *specialty contractor in this state:*

38 (a) *Paid directly, on his own behalf:*

39 (1) *The sales and use taxes pursuant to chapters 372, 374 and 377*
40 *of NRS on materials used for construction in this state, including,*
41 *without limitation, construction that is undertaken or carried out on land*
42 *within the boundaries of this state that is managed by the Federal*
43 *Government or is on an Indian reservation or Indian colony, of not less*
44 *than \$5,000 for each consecutive 12-month period for 60 months*
45 *immediately preceding the submission of the affidavit from the certified*
46 *public accountant;*

47 (2) *The governmental services tax imposed pursuant to chapter 371*
48 *of NRS on the vehicles used in the operation of his business in this state*
49 *of not less than \$5,000 for each consecutive 12-month period for 60*



1 *months immediately preceding the submission of the affidavit from the*
2 *certified public accountant; or*

3 (3) *Any combination of such sales and use taxes and governmental*
4 *services tax; or*

5 (b) *Acquired, by purchase, inheritance, gift or transfer through a*
6 *stock option plan, all the assets and liabilities of a viable, operating*
7 *construction firm that possesses a:*

8 (1) *License as a specialty contractor pursuant to the provisions of*
9 *chapter 624 of NRS; and*

10 (2) *Certificate of eligibility to receive a preference in bidding on*
11 *public works.*

12 5. For the purposes of complying with the requirements set forth in
13 paragraph (a) of subsection 3 ~~1-a general~~ *and paragraph (a) of subsection*
14 *4, a contractor shall be deemed to have paid:*

15 (a) Sales and use taxes and governmental services taxes that were paid
16 in this state by an affiliate or parent company of the contractor, if the
17 affiliate or parent company is also a general contractor ~~1-a~~ *or specialty*
18 *contractor, as applicable; and*

19 (b) Sales and use taxes that were paid in this state by a joint venture in
20 which the contractor is a participant, in proportion to the amount of interest
21 the contractor has in the joint venture.

22 ~~1-5~~ 6. A contractor who has received a certificate of eligibility to
23 receive a preference in bidding on public works from the state contractors'
24 board pursuant to subsection 3 *or 4* shall, at the time for the annual renewal
25 of his contractor's license pursuant to NRS 624.283, submit to the board an
26 affidavit from a certified public accountant setting forth that the contractor
27 has, during the immediately preceding 12 months, paid the taxes required
28 pursuant to paragraph (a) of subsection 3 *or paragraph (a) of subsection 4,*
29 *as applicable,* to maintain his eligibility to hold such a certificate.

30 ~~1-6~~ 7. A contractor who fails to submit an affidavit to the board
31 pursuant to subsection ~~1-5~~ 6 ceases to be eligible to receive a preference in
32 bidding on public works unless he reapplies for and receives a certificate of
33 eligibility pursuant to subsection 3 ~~1-~~
34 ~~7~~ *or 4, as applicable.*

35 8. *If a contractor holds more than one contractor's license, he must*
36 *submit a separate application for each license pursuant to which he*
37 *wishes to qualify for a preference in bidding. Upon issuance, the*
38 *certificate of eligibility to receive a preference in bidding on public works*
39 *becomes part of the contractor's license for which the contractor*
40 *submitted the application.*

41 9. If a contractor who applies to the state contractors' board for a
42 certificate of eligibility to receive a preference in bidding on public works
43 submits false information to the board regarding the required payment of
44 taxes, the contractor is not eligible to receive a preference in bidding on
45 public works for a period of 5 years after the date on which the board
46 becomes aware of the submission of the false information.

47 ~~1-8~~ 10. If any federal statute or regulation precludes the granting of
48 federal assistance or reduces the amount of that assistance for a particular
49 public work because of the provisions of subsection 2, those provisions do



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1 not apply insofar as their application would preclude or reduce federal
2 assistance for that work. The provisions of subsection 2 do not apply to any
3 contract for a public work which is expected to cost less than \$250,000.

4 ~~19-1~~ 11. If a bid is submitted by two or more contractors as a joint
5 venture or by one of them as a joint venturer, the provisions of subsection 2
6 apply only if both or all of the joint venturers separately meet the
7 requirements of that subsection.

8 ~~110-1~~ 12. The state contractors' board shall adopt regulations and may
9 assess reasonable fees relating to the certification of contractors for a
10 preference in bidding on public works.

11 ~~111-1~~ 13. A person or entity who believes that a contractor wrongfully
12 holds a certificate of eligibility to receive a preference in bidding on public
13 works may challenge the validity of the certificate by filing a written
14 objection with the public body to which the contractor has submitted a bid
15 or proposal on a contract for the construction of a public work. A written
16 objection authorized pursuant to this subsection must:

17 (a) Set forth proof or substantiating evidence to support the belief of the
18 person or entity that the contractor wrongfully holds a certificate of
19 eligibility to receive a preference in bidding on public works; and

20 (b) Be filed with the public body at or after the time at which the
21 contractor submitted the bid or proposal to the public body and before the
22 time at which the public body awards the contract for which the bid or
23 proposal was submitted.

24 ~~112-1~~ 14. If a public body receives a written objection pursuant to
25 subsection ~~111-1~~ 13, the public body shall determine whether the objection
26 is accompanied by the proof or substantiating evidence required pursuant
27 to paragraph (a) of that subsection. If the public body determines that the
28 objection is not accompanied by the required proof or substantiating
29 evidence, the public body shall dismiss the objection and may proceed
30 immediately to award the contract. If the public body determines that the
31 objection is accompanied by the required proof or substantiating evidence,
32 the public body shall determine whether the contractor qualifies for the
33 certificate pursuant to the provisions of this section and may proceed to
34 award the contract accordingly.

35 **Sec. 10.** NRS 338.141 is hereby amended to read as follows:

36 338.141 1. Except as otherwise provided in subsection 2, each bid
37 submitted to any officer, department, board or commission for the
38 construction of any public work or improvement must include:

39 (a) The name of each subcontractor who will provide labor or a portion
40 of the work or improvement to the contractor for which he will be paid an
41 amount exceeding 5 percent of the prime contractor's total bid. Within 2
42 hours after the completion of the opening of the bids, the ~~1general1~~
43 contractors who submitted the three lowest bids must submit a list of the
44 name of each subcontractor who will provide labor or a portion of the work
45 or improvement to the contractor for which he will be paid an amount
46 exceeding 1 percent of the prime contractor's total bid or \$50,000,
47 whichever is greater, and the number of the license issued to the
48 subcontractor pursuant to chapter 624 of NRS. If a ~~1general1~~ contractor



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1 fails to submit such a list within the required time, his bid shall be deemed
2 not responsive.

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

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

8 3. A contractor whose bid is accepted shall not substitute any person
9 for a subcontractor who is named in the bid, unless:

10 (a) The awarding authority objects to the subcontractor, requests in
11 writing a change in the subcontractor and pays any increase in costs
12 resulting from the change; or

13 (b) The substitution is approved by the awarding authority and:

14 (1) The subcontractor, after having a reasonable opportunity, fails or
15 refuses to execute a written contract with the contractor which was offered
16 to the subcontractor with the same terms that all other subcontractors on
17 the project were offered;

18 (2) The named subcontractor files for bankruptcy or becomes
19 insolvent; or

20 (3) The named subcontractor fails or refuses to perform his
21 subcontract within a reasonable time or is unable to furnish a performance
22 bond and payment bond pursuant to NRS 339.025.

23 **Sec. 11.** NRS 338.147 is hereby amended to read as follows:

24 338.147 1. Except as otherwise provided in NRS 338.143 and
25 338.1711 to 338.1727, inclusive, a local government shall award a contract
26 for a public work to the contractor who submits the best bid.

27 2. Except as otherwise provided in subsection ~~10~~ *10* or limited by
28 subsection ~~9~~ *11*, for the purposes of this section, a contractor who:

29 (a) Has been found to be a responsible and responsive contractor by the
30 local government; and

31 (b) At the time he submits his bid, provides to the local government a
32 copy of a certificate of eligibility to receive a preference in bidding on
33 public works issued to him by the state contractors' board pursuant to
34 subsection 3 ~~4~~ *or 4*,

35 shall be deemed to have submitted a better bid than a competing contractor
36 who has not provided a copy of such a valid certificate of eligibility if the
37 amount of his bid is not more than 5 percent higher than the amount bid by
38 the competing contractor.

39 3. The state contractors' board shall issue a certificate of eligibility to
40 receive a preference in bidding on public works to a general contractor who
41 is licensed pursuant to the provisions of chapter 624 of NRS and submits to
42 the board an affidavit from a certified public accountant setting forth that
43 the general contractor has ~~4~~ *, while licensed as a general contractor in*
44 *this state:*

45 (a) Paid ~~4~~ *directly, on his own behalf:*

46 (1) The sales and use taxes imposed pursuant to chapters 372, 374
47 and 377 of NRS on materials used for construction in this state, including,
48 without limitation, construction that is undertaken or carried out on land
49 within the boundaries of this state that is managed by the Federal



1 Government or is on an Indian reservation or Indian colony, of not less
2 than \$5,000 for each consecutive 12-month period for 60 months
3 immediately preceding the submission of the affidavit from the certified
4 public accountant;

5 (2) The governmental services tax imposed pursuant to chapter 371
6 of NRS on the vehicles used in the operation of his business in this state of
7 not less than \$5,000 for each consecutive 12-month period for 60 months
8 immediately preceding the submission of the affidavit from the certified
9 public accountant; or

10 (3) Any combination of such sales and use taxes and governmental
11 services tax; or

12 (b) Acquired, by *purchase*, inheritance, gift or transfer through a stock
13 option plan , ~~for employees,~~ all the assets and liabilities of a viable,
14 operating construction firm that possesses a:

15 (1) License as a general contractor pursuant to the provisions of
16 chapter 624 of NRS; and

17 (2) Certificate of eligibility to receive a preference in bidding on
18 public works.

19 4. *The state contractors' board shall issue a certificate of eligibility to*
20 *receive a preference in bidding on public works to a specialty contractor*
21 *who is licensed pursuant to the provisions of chapter 624 of NRS and*
22 *submits to the board an affidavit from a certified public accountant*
23 *setting forth that the specialty contractor has, while licensed as a*
24 *specialty contractor in this state:*

25 (a) *Paid directly, on his own behalf:*

26 (1) *The sales and use taxes pursuant to chapters 372, 374 and 377*
27 *of NRS on materials used for construction in this state, including,*
28 *without limitation, construction that is undertaken or carried out on land*
29 *within the boundaries of this state that is managed by the Federal*
30 *Government or is on an Indian reservation or Indian colony, of not less*
31 *than \$5,000 for each consecutive 12-month period for 60 months*
32 *immediately preceding the submission of the affidavit from the certified*
33 *public accountant;*

34 (2) *The governmental services tax imposed pursuant to chapter 371*
35 *of NRS on the vehicles used in the operation of his business in this state*
36 *of not less than \$5,000 for each consecutive 12-month period for 60*
37 *months immediately preceding the submission of the affidavit from the*
38 *certified public accountant; or*

39 (3) *Any combination of such sales and use taxes and governmental*
40 *services tax; or*

41 (b) *Acquired, by purchase, inheritance, gift or transfer through a*
42 *stock option plan, all the assets and liabilities of a viable, operating*
43 *construction firm that possesses a:*

44 (1) *License as a specialty contractor pursuant to the provisions of*
45 *chapter 624 of NRS; and*

46 (2) *Certificate of eligibility to receive a preference in bidding on*
47 *public works.*



1 5. For the purposes of complying with the requirements set forth in
2 paragraph (a) of subsection 3 ~~1, a general~~ *and paragraph (a) of subsection*
3 *4, a* contractor shall be deemed to have paid:

4 (a) Sales and use taxes and governmental services taxes that were paid
5 in this state by an affiliate or parent company of the contractor, if the
6 affiliate or parent company is also a general contractor ~~1~~ *or specialty*
7 *contractor, as applicable;* and

8 (b) Sales and use taxes that were paid in this state by a joint venture in
9 which the contractor is a participant, in proportion to the amount of interest
10 the contractor has in the joint venture.

11 ~~15.1~~ 6. A contractor who has received a certificate of eligibility to
12 receive a preference in bidding on public works from the state contractors'
13 board pursuant to subsection 3 *or 4* shall, at the time for the annual renewal
14 of his contractor's license pursuant to NRS 624.283, submit to the board an
15 affidavit from a certified public accountant setting forth that the contractor
16 has, during the immediately preceding 12 months, paid the taxes required
17 pursuant to paragraph (a) of subsection 3 *or paragraph (a) of subsection 4,*
18 *as applicable,* to maintain his eligibility to hold such a certificate.

19 ~~16.1~~ 7. A contractor who fails to submit an affidavit to the board
20 pursuant to subsection ~~15.1~~ 6 ceases to be eligible to receive a preference in
21 bidding on public works unless he reapplies for and receives a certificate of
22 eligibility pursuant to subsection 3 ~~1~~
23 ~~—7.1 or 4, as applicable.~~

24 8. *If a contractor holds more than one contractor's license, he must*
25 *submit a separate application for each license pursuant to which he*
26 *wishes to qualify for a preference in bidding. Upon issuance, the*
27 *certificate of eligibility to receive a preference in bidding on public works*
28 *becomes part of the contractor's license for which the contractor*
29 *submitted the application.*

30 9. If a contractor who applies to the state contractors' board for a
31 certificate of eligibility to receive a preference in bidding on public works
32 submits false information to the board regarding the required payment of
33 taxes, the contractor is not eligible to receive a preference in bidding on
34 public works for a period of 5 years after the date on which the board
35 becomes aware of the submission of the false information.

36 ~~18.1~~ 10. If any federal statute or regulation precludes the granting of
37 federal assistance or reduces the amount of that assistance for a particular
38 public work because of the provisions of subsection 2, those provisions do
39 not apply insofar as their application would preclude or reduce federal
40 assistance for that work. The provisions of subsection 2 do not apply to any
41 contract for a public work which is expected to cost less than \$250,000.

42 ~~19.1~~ 11. Except as otherwise provided in subsection 2 of NRS
43 338.1727 and subsection 2 of NRS 408.3886 if a bid is submitted by two or
44 more contractors as a joint venture or by one of them as a joint venturer,
45 the provisions of subsection 2 apply only if both or all of the joint venturers
46 separately meet the requirements of that subsection.

47 ~~110.1~~ 12. The state contractors' board shall adopt regulations and may
48 assess reasonable fees relating to the certification of contractors for a
49 preference in bidding on public works.



1 ~~111~~ 13. A person or entity who believes that a contractor wrongfully
2 holds a certificate of eligibility to receive a preference in bidding on public
3 works may challenge the validity of the certificate by filing a written
4 objection with the public body to which the contractor has submitted a bid
5 or proposal on a contract for the completion of a public work. A written
6 objection authorized pursuant to this subsection must:

7 (a) Set forth proof or substantiating evidence to support the belief of the
8 person or entity that the contractor wrongfully holds a certificate of
9 eligibility to receive a preference in bidding on public works; and

10 (b) Be filed with the public body at or after the time at which the
11 contractor submitted the bid or proposal to the public body and before the
12 time at which the public body awards the contract for which the bid or
13 proposal was submitted.

14 ~~112~~ 14. If a public body receives a written objection pursuant to
15 subsection ~~111~~ 13, the public body shall determine whether the objection
16 is accompanied by the proof or substantiating evidence required pursuant
17 to paragraph (a) of that subsection. If the public body determines that the
18 objection is not accompanied by the required proof or substantiating
19 evidence, the public body shall dismiss the objection and may proceed
20 immediately to award the contract. If the public body determines that the
21 objection is accompanied by the required proof or substantiating evidence,
22 the public body shall determine whether the contractor qualifies for the
23 certificate pursuant to the provisions of this section and may proceed to
24 award the contract accordingly.

25 **Sec. 12.** NRS 338.147 is hereby amended to read as follows:

26 338.147 1. Except as otherwise provided in NRS 338.143, a local
27 government shall award a contract for a public work to the contractor who
28 submits the best bid.

29 2. Except as otherwise provided in subsection ~~10~~ 10 or limited by
30 subsection ~~9~~ 11, for the purposes of this section, a contractor who:

31 (a) Has been found to be a responsible and responsive contractor by the
32 local government; and

33 (b) At the time he submits his bid, provides to the local government a
34 copy of a certificate of eligibility to receive a preference in bidding on
35 public works issued to him by the state contractors' board pursuant to
36 subsection 3 ~~1~~ or 4,

37 shall be deemed to have submitted a better bid than a competing contractor
38 who has not provided a copy of such a valid certificate of eligibility if the
39 amount of his bid is not more than 5 percent higher than the amount bid by
40 the competing contractor.

41 3. The state contractors' board shall issue a certificate of eligibility to
42 receive a preference in bidding on public works to a general contractor who
43 is licensed pursuant to the provisions of chapter 624 of NRS and submits to
44 the board an affidavit from a certified public accountant setting forth that
45 the general contractor has ~~1~~ , while licensed as a general contractor in
46 this state:

47 (a) Paid ~~1~~ directly, on his own behalf:

48 (1) The sales and use taxes imposed pursuant to chapters 372, 374
49 and 377 of NRS on materials used for construction in this state, including,



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1 without limitation, construction that is undertaken or carried out on land
2 within the boundaries of this state that is managed by the Federal
3 Government or is on an Indian reservation or Indian colony, of not less
4 than \$5,000 for each consecutive 12-month period for 60 months
5 immediately preceding the submission of the affidavit from the certified
6 public accountant;

7 (2) The governmental services tax imposed pursuant to chapter 371
8 of NRS on the vehicles used in the operation of his business in this state of
9 not less than \$5,000 for each consecutive 12-month period for 60 months
10 immediately preceding the submission of the affidavit from the certified
11 public accountant; or

12 (3) Any combination of such sales and use taxes and governmental
13 services tax; or

14 (b) Acquired, by *purchase*, inheritance, gift or transfer through a stock
15 option plan, ~~for employees,~~ all the assets and liabilities of a viable,
16 operating construction firm that possesses a:

17 (1) License as a general contractor pursuant to the provisions of
18 chapter 624 of NRS; and

19 (2) Certificate of eligibility to receive a preference in bidding on
20 public works.

21 4. *The state contractors' board shall issue a certificate of eligibility to*
22 *receive a preference in bidding on public works to a specialty contractor*
23 *who is licensed pursuant to the provisions of chapter 624 of NRS and*
24 *submits to the board an affidavit from a certified public accountant*
25 *setting forth that the specialty contractor has, while licensed as a*
26 *specialty contractor in this state:*

27 (a) *Paid directly, on his own behalf:*

28 (1) *The sales and use taxes pursuant to chapters 372, 374 and 377*
29 *of NRS on materials used for construction in this state, including,*
30 *without limitation, construction that is undertaken or carried out on land*
31 *within the boundaries of this state that is managed by the Federal*
32 *Government or is on an Indian reservation or Indian colony, of not less*
33 *than \$5,000 for each consecutive 12-month period for 60 months*
34 *immediately preceding the submission of the affidavit from the certified*
35 *public accountant;*

36 (2) *The governmental services tax imposed pursuant to chapter 371*
37 *of NRS on the vehicles used in the operation of his business in this state*
38 *of not less than \$5,000 for each consecutive 12-month period for 60*
39 *months immediately preceding the submission of the affidavit from the*
40 *certified public accountant; or*

41 (3) *Any combination of such sales and use taxes and governmental*
42 *services tax; or*

43 (b) *Acquired, by purchase, inheritance, gift or transfer through a*
44 *stock option plan, all the assets and liabilities of a viable, operating*
45 *construction firm that possesses a:*

46 (1) *License as a specialty contractor pursuant to the provisions of*
47 *chapter 624 of NRS; and*

48 (2) *Certificate of eligibility to receive a preference in bidding on*
49 *public works.*



1 5. For the purposes of complying with the requirements set forth in
2 paragraph (a) of subsection 3 ~~1, a general~~ *and paragraph (a) of subsection*
3 *4, a* contractor shall be deemed to have paid:

4 (a) Sales and use taxes and governmental services taxes that were paid
5 in this state by an affiliate or parent company of the contractor, if the
6 affiliate or parent company is also a general contractor ~~1~~ *or specialty*
7 *contractor, as applicable;* and

8 (b) Sales and use taxes that were paid in this state by a joint venture in
9 which the contractor is a participant, in proportion to the amount of interest
10 the contractor has in the joint venture.

11 ~~15~~ 6. A contractor who has received a certificate of eligibility to
12 receive a preference in bidding on public works from the state contractors'
13 board pursuant to subsection 3 *or 4* shall, at the time for the annual renewal
14 of his contractor's license pursuant to NRS 624.283, submit to the board an
15 affidavit from a certified public accountant setting forth that the contractor
16 has, during the immediately preceding 12 months, paid the taxes required
17 pursuant to paragraph (a) of subsection 3 *or paragraph (a) of subsection 4,*
18 *as applicable,* to maintain his eligibility to hold such a certificate.

19 ~~16~~ 7. A contractor who fails to submit an affidavit to the board
20 pursuant to subsection ~~15~~ 6 ceases to be eligible to receive a preference in
21 bidding on public works unless he reapplies for and receives a certificate of
22 eligibility pursuant to subsection 3 ~~1~~
23 ~~7~~ *or 4, as applicable.*

24 8. *If a contractor holds more than one contractor's license, he must*
25 *submit a separate application for each license pursuant to which he*
26 *wishes to qualify for a preference in bidding. Upon issuance, the*
27 *certificate of eligibility to receive a preference in bidding on public works*
28 *becomes part of the contractor's license for which the contractor*
29 *submitted the application.*

30 9. If a contractor who applies to the state contractors' board for a
31 certificate of eligibility to receive a preference in bidding on public works
32 submits false information to the board regarding the required payment of
33 taxes, the contractor is not eligible to receive a preference in bidding on
34 public works for a period of 5 years after the date on which the board
35 becomes aware of the submission of the false information.

36 ~~18~~ 10. If any federal statute or regulation precludes the granting of
37 federal assistance or reduces the amount of that assistance for a particular
38 public work because of the provisions of subsection 2, those provisions do
39 not apply insofar as their application would preclude or reduce federal
40 assistance for that work. The provisions of subsection 2 do not apply to any
41 contract for a public work which is expected to cost less than \$250,000.

42 ~~19~~ 11. If a bid is submitted by two or more contractors as a joint
43 venture or by one of them as a joint venturer, the provisions of subsection 2
44 apply only if both or all of the joint venturers separately meet the
45 requirements of that subsection.

46 ~~10~~ 12. The state contractors' board shall adopt regulations and may
47 assess reasonable fees relating to the certification of contractors for a
48 preference in bidding on public works.



1 ~~111~~ 13. A person or entity who believes that a contractor wrongfully
2 holds a certificate of eligibility to receive a preference in bidding on public
3 works may challenge the validity of the certificate by filing a written
4 objection with the public body to which the contractor has submitted a bid
5 or proposal on a contract for the completion of a public work. A written
6 objection authorized pursuant to this subsection must:

7 (a) Set forth proof or substantiating evidence to support the belief of the
8 person or entity that the contractor wrongfully holds a certificate of
9 eligibility to receive a preference in bidding on public works; and

10 (b) Be filed with the public body at or after the time at which the
11 contractor submitted the bid or proposal to the public body and before the
12 time at which the public body awards the contract for which the bid or
13 proposal was submitted.

14 ~~112~~ 14. If a public body receives a written objection pursuant to
15 subsection ~~111~~ 13, the public body shall determine whether the objection
16 is accompanied by the proof or substantiating evidence required pursuant
17 to paragraph (a) of that subsection. If the public body determines that the
18 objection is not accompanied by the required proof or substantiating
19 evidence, the public body shall dismiss the objection and may proceed
20 immediately to award the contract. If the public body determines that the
21 objection is accompanied by the required proof or substantiating evidence,
22 the public body shall determine whether the contractor qualifies for the
23 certificate pursuant to the provisions of this section and may proceed to
24 award the contract accordingly.

25 **Sec. 13.** NRS 338.1711 is hereby amended to read as follows:

26 338.1711 1. Except as otherwise provided in this section, a public
27 body shall contract with a prime contractor for the construction of a public
28 work for which the estimated cost exceeds \$100,000.

29 2. A public body may contract with a design-build team for the design
30 and construction of a public work that is a discrete project if the public
31 body determines that:

32 (a) The public work is:

33 (1) A plant or facility for the treatment and pumping of water or the
34 treatment and disposal of wastewater or sewage, the estimated cost of
35 which exceeds \$100,000,000; or

36 (2) Any other type of public work, except a stand-alone underground
37 utility project, the estimated cost of which exceeds \$30,000,000; and

38 (b) Contracting with a design-build team will enable the public body to:

39 (1) Design and construct the public work at a cost that is significantly
40 lower than the cost that the public body would incur to design and
41 construct the public work using a different method;

42 (2) Design and construct the public work in a shorter time than would
43 be required to design and construct the public work using a different
44 method, if exigent circumstances require that the public work be designed
45 and constructed within a short time; or

46 (3) Ensure that the design and construction of the public work is
47 properly coordinated, if the public work is unique, highly technical and
48 complex in nature.



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1 3. In a county whose population is 400,000 or more, a public body that
2 is responsible for financing public works may, for its own public works
3 and those financed by a different public body, including, without
4 limitation, an airport if the airport is owned and operated as a department
5 of the public body, contract with a design-build team once in each fiscal
6 year for the design and construction of a public work if the public body
7 determines that:
8 (a) The estimated cost of the public work is at least \$5,000,000 but less
9 than \$30,000,000; and
10 (b) Contracting with a design-build team will enable the public body to:
11 (1) Design and construct the public work at a cost that is significantly
12 lower than the cost that the public body would incur to design and
13 construct the public work using a different method;
14 (2) Design and construct the public work in a shorter time than would
15 be required to design and construct the public work using a different
16 method, if exigent circumstances require that the public work be designed
17 and constructed within a short time; or
18 (3) Ensure that the design and construction of the public work is
19 properly coordinated, if the public work is unique, highly technical and
20 complex in nature.
21 4. Notwithstanding the provisions of subsections 1, 2 and 3, a public
22 body may contract with:
23 (a) A nonprofit organization for the design and construction of a project
24 to restore, enhance or develop wetlands.
25 (b) A prime contractor ~~or specialty contractor~~ or design-build team with
26 respect to a public work if the public body determines that the public work
27 is:
28 (1) Not part of a larger public work; and
29 (2) Limited in scope to:
30 (I) Removal of asbestos;
31 (II) Replacement of equipment or systems for heating, ventilation
32 and air-conditioning;
33 (III) Replacement of a roof;
34 (IV) Landscaping; or
35 (V) Restoration, enhancement or development of wetlands.
36 **Sec. 14.** NRS 338.1715 is hereby amended to read as follows:
37 338.1715 1. A public body that is required to contract with a prime
38 contractor pursuant to subsection 1 of NRS 338.1711 or elects to contract
39 with a ~~specialty~~ *prime* contractor pursuant to subsection 4 of NRS
40 338.1711 shall select the prime contractor ~~for specialty contractor, as~~
41 ~~appropriate,~~ in accordance with the procedures for bidding that are set
42 forth in:
43 (a) The provisions of NRS 338.1375 to 338.1389, inclusive ~~and~~ *and*
44 *sections 2 and 3 of this act;* or
45 (b) NRS 338.143, 338.145 and 338.147 ~~and section 4 of this act,~~ if
46 the public body is a local government that elects to award a contract for a
47 public work in accordance with paragraph (b) of subsection 1 of NRS
48 338.1373.



1 2. A public body that contracts with a design-build team pursuant to
2 NRS 338.1711 and 338.1713 shall select the design-build team in
3 accordance with NRS 338.1721 to 338.1727, inclusive.
4 **Sec. 15.** 1. This section, sections 1 to 5, inclusive, and 7, 10, 13 and 14
5 of this act become effective on July 1, 2001.
6 2. Sections 8 and 11 of this act become effective at 12:01 a.m. on
7 July 1, 2001.
8 3. Section 6 of this act becomes effective at 12:01 a.m. on
9 October 1, 2003.
10 4. Section 9 of this act becomes effective at 12:02 a.m. on
11 October 1, 2003.
12 5. Section 12 of this act becomes effective at 12:03 a.m. on
13 October 1, 2003.
14 6. Sections 5, 8, 11, 13 and 14 of this act expire by limitation on
15 October 1, 2003.

