

DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or library@lcb.state.nv.us.

Testimony in Opposition to SB 491
Provided by Jeanette Belz Representing
Associated General Contractors – Nevada Chapter
Assembly Commerce and Labor Committee
May 5, 2003

SB 491 was substantially amended in the Senate Government Affairs Committee. Since then, the AGC has been discussing the revised bill in an attempt to determine how the "disqualification" process of subcontractors would work.

It appears to us that it is at best awkward and at worst potentially discriminatory.

I might best be able to provide you with an example with the State Public Works Board.

In section 1(2), it is provided that subcontractors are "presumed" to be qualified unless verifiable information has been forwarded to the Board, upon which an investigation will be conducted. The Board has indicated that the criteria that the subcontractors "information" will be measured against will be substantially similar to the criteria used to "qualify" contractors. (Contractors are not qualified, unless they have submitted an application and are subsequently qualified through a scoring process.)

On the surface, this would seem reasonable, however, a closer look reveals that the criteria used to judge a contractor's suitability to be qualified are "weighted" and are therefore not all equal. A contractor must submit a complete application and all of the criteria come into play.

Since a subcontractor is not being "qualified" but just "disqualified", we are to assume that information about one criterion can be used to disqualify a subcontractor. This does not seem to be an equitable application of the criteria to both contractors and subcontractors.

In addition, in Section 5(1)(a) of the bill, it states that the bid of a contractor is deemed to be non-responsive if it includes the name of a subcontractor that has been disqualified by the Board. If a subcontractor is under investigation by the board because information has been submitted about him, then it may not be in the best interest of the contractor to submit that subcontractor's name as part of the bid – for fear that it may be rejected. This could create a situation where information could be submitted to the Board just to make a subcontractor unattractive for contractors to include in their bids.

It appears that the Board is proposing to apply a "qualification" process to a "disqualification" process and it is the opinion of the AGC that this attempt is flawed and needs a more thorough analysis.

We urge you to reject SB 491. Thank-you.

ASSEMBLY COMMERCE & LABOR
DATE: 5/5/03 ROOM: 4100 EXHIBIT H
SUBMITTED BY: Jeanette Belz