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Testimony in Support of AB 116
February 25, 2003
Presented by
Bill Moell, Administrator
Nevada State Purchasing Division

Good morning Mr. Chairman and members of the Committee. For the record, my name is Bill Moell. I am the Administrator of the State Purchasing Division. AB 116 is a housekeeping bill and as such covers a variety of areas within NRS 333. Each of the areas represents a tweaking of statutory language to reflect best practices in public purchasing and to clarify current procedures. I am prepared to answer any questions from the Committee or, if you wish, I will quickly review each of the eight areas of amendment.

Areas of Amendment:

1. The first two sections add lease/purchase and price agreements to our arsenal of ways to acquire goods and services. The Division has used lease/purchasing for a number of years to acquire goods such as fire trucks, police cars, heavy equipment and computers. Some of our lease/purchase vendors have suggested they would appreciate this method being specifically authorized in statute. We, therefore, included the language in our bill. Price agreements are used to capture GSA pricing and to utilize catalog pricing in our open term, multiple award contracts such as computers, automobiles, office supplies and furniture.
2. Section 3 explicitly states our authority to issue multiple award contracts. While that authority has never been successfully challenged, we believe this language will remove all doubt about a practice that requires vendors to compete every day for State business, not just on the day of the bid opening.
3. Section 4 increases the maximum time limit for contracts. We are asking our vendors to partner with the State more extensively than ever before. We ask them to provide web-based catalogs with State pricing. We ask them to establish individual accounts with more than 600 agencies statewide and more than 1,000 ship to addresses. It is not unusual for us to require custom reporting and assigned staff to provide service to our customers. All of that costs the vendor money and it is not in the "Best Interests of the State" to have the vendor recouping those cost over a short period of time. The State gets a better deal if the vendor's investment and commitment is of longer term.
4. Section 6 is another update to current practice that specifies notification to vendors whether a bid or RFP is for an open term contract or is limited to a specific entity.
5. Our vendors have long asked for the ability to submit bids via fax. We have been resistant because the technology was not there to seal a fax to protect the confidentiality of the proposal before bid opening. We don't see the technology in the foreseeable future either. Therefore, we are requesting relief from the sealed bid requirement for faxed bids and will establish via regulation a

procedure to insure the integrity of a faxed bid. We have tested the procedure with an isolated bid fax and by assigning a bid administrator with sole responsibility to maintain confidentiality and integrity. The process worked extremely well.

6. Section 8, NRS 333.365 establishes a process by which any contractor doing business with the State can be sanctioned for non-performance. The State should never contract with a vendor that has a record of non-performance with other State agencies or worse yet is being sued by another State agency. This is part of a comprehensive effort on the part of the Governor and the Director of the Department of Administration through the Purchasing Division to add accountability to the contracting process after the contract has been signed. The Purchasing Division has been assigned to establish a contract management training and certification program for agency contract managers, a vendor rating program for all vendors and a comprehensive contract data base. This is the only legislative change necessary. The remainder of the program will be authorized in the State Administrative Manual.
7. We are also asking for relief from the statutory specification for recycled paper. 50% post consumer and secondary waste content for recycled paper is nice, but not very practical. We are asking for the flexibility to purchase for our agencies prevailing industry standard recycled paper. The current federal standard is 30%. This paper is considerably cheaper than the 50/50 product and within a couple of dollars per case of virgin paper.
8. Finally, the last section is to include services into the mix for things bought by Purchasing. This oversight came to light when we were participating in a house arrest monitoring contract with the states of Washington and Idaho. We were able to proceed, but we made a note to include the addition at our next opportunity.