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PREPARED BY
RESEARCH DIVISION
LEGISLATIVE COUNSEL BUREAU
Nonpartisan Staff of the Nevada State Legislature

WORK SESSION

Assembly Committee on Government Affairs

ASSEMBLY BILL 174

Requires certain preferences for underutilized businesses with respect to certain purchasing by local governments and certain contracts for public works and requires certain licensees of Nevada Gaming Commission to establish goals regarding hiring of underutilized businesses.

(BDR 27-1004)

Sponsored by: Assemblymen Arberry Jr., and Williams
Date Heard: March 4, 2003

Assembly Bill 174 creates a procedure to promote purchasing contracts between local governments and underutilized businesses.

Amendments: Assemblyman Williams, as one of the bill's sponsors, has proposed a replacement of the bill as a whole with an alternative concept suggested by Clark County.

A conceptual amendment is attached.

Opposition: The bill was opposed by the State Public Works Board, the Northern Nevada chapter of the Associated General Contractors, and the Las Vegas Chamber of Commerce. Clark County identified its position as "neutral leaning toward opposition."

Fiscal Impact: Local Government: Yes
State Government: Yes
[Note: The amendment would eliminate most, if not all, of the fiscal impacts.]

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4/7/2003

E 1 of 4

ASSEMBLY GOVERNMENT AFFAIRS E1-4
DATE: 4/7/03 ROOM: 3143 EXHIBIT E
SUBMITTED BY: Susan Scholley

**CONCEPTUAL SUBSTITUTE BILL FOR ASSEMBLY BILL 174
FOR ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS
APRIL 5, 2003**

1. Precede bill with the following Whereas clauses (new clauses are in blue type):

WHEREAS, The Clark County Department of General Services contracted with BBC Research and Consulting of Denver, Colorado, to perform a regional economic disparity study of Clark County; and

WHEREAS, BBC Research and Consulting is a nationally recognized and respected research firm in the area of local government and discrimination in governmental contracting; and

WHEREAS, The study performed by BBC Research and Consulting with the assistance of the Minority Business Enterprise Legal Defense and Education Fund, Inc., of Washington, D.C., released in July 1994 found that available quantitative and qualitative evidence indicates that Clark County played a passive role in a pattern of marketplace discrimination against minority businesses and businesses owned by women by infusing public funds into a discriminatory marketplace; and

Whereas, the participants to the study included the City of Las Vegas, City of Las Vegas Housing Authority, Clark County Government, Clark County Housing Authority, Clark County Regional Flood Control District, Clark County Sanitation District, Clark County School District, Community College of Southern Nevada, Las Vegas-Clark County Library District, Las Vegas Convention and Visitors Authority, Las Vegas Valley Water District, Regional Transportation Commission, University Medical Center and the University of Nevada, Las Vegas.

WHEREAS, The study performed by BBC Research and Consulting concluded that the substantial evidence of significant statistical disparities between the utilization and availability of minority firms and firms owned by women in procurement and contracting by Clark County could not be explained solely by random events; and

WHEREAS, The study concluded, based on the decision of the Supreme Court of the United States in *City of Richmond v. J.A. Croson*, that sufficient factual bases existed to institute a statutory framework to remedy the significant statistical disparities found by the study; and

Whereas, the Clark County Government established a Business Development Advisory Council (BDAC) to meet with various business organizations on a monthly basis to address the issues identified in the study and to discuss and implement processes and procedures to enhance contract opportunities for local small, minority-owned, physically-challenged owned, women-owned and disadvantaged businesses in an effort to spur growth and economic development in the local economy; and

Whereas, the BDAC has implemented a variety of programs including but not limited to better dissemination of contracting opportunities within the local community, outreach efforts including workshops and training, internal training of departments with the Clark County government, the development of monthly statistics to document program progress, and the review of bid specifications to insure full and open competition and to reduce possible barriers; and

Whereas, the actions of the BDAC have resulted in a process that is more open and inclusive to disadvantaged businesses; and

Whereas, the 2000 Census demonstrates that the demographics with Clark County have changed dramatically over the last decade, particularly in the growth of the minority population; and

WHEREAS, A follow-up study conducted by the Blue Ribbon Committee on Race of the Las Vegas Urban Chamber of Commerce in 2002 found no appreciable positive change in the results reached by the study conducted by BBC Research and Consulting and found, in fact, evidence of increasing statistical disparities between the availability and utilization of minority firms and firms owned by women for procurement and contracting by agencies in Clark County; and

Whereas, it is imperative to have a more fair, open and inclusive government, including the opportunities in contracting and procurement. now, therefore,

2. A special act to provide the following:

- The special act shall include a statement of legislative intent for justification.
- In Clark County there shall be established a Regional Business Development Council (RBDC) for the purpose of broadening the participation of public and private sector entities in addressing the problems of economic disparities in the marketplace and to reduce the market disparities in the procurement and contracting processes within Clark County.
- The members of the RBDC shall include a representative from the Las Vegas Urban Chamber of Commerce and the following public entities: City of Henderson, City of Henderson Library District, City of Las Vegas, City of Las Vegas Housing Authority, City of North Las Vegas, City of North Las Vegas Housing Authority, Clark County Government, Clark County Health District, Clark County Housing Authority, Clark County Regional Flood Control District, Clark County Sanitation District, Clark County Water Reclamation District, Clark County School District, Community College of Southern Nevada, Las Vegas-Clark County Library District, Las Vegas Convention and Visitors Authority, Las Vegas Valley Water District, Regional Transportation Commission, Southern Nevada Water Authority, University Medical Center, University of Nevada, Las Vegas, and Nevada Department of Transportation.
- In addition, the Las Vegas Urban Chamber of Commerce and the Clark County Commission shall solicit and encourage the participation of private employers with more than 500 employees. Any such private employer who requests to participate shall be included as a member of the RBDC.
- The special act shall provide for the election or appointment of a chair and vice-chair and for terms of office.
- The RBDC shall meet at least every three months at a date and time to be established. Records of attendance shall be maintained.

- The RBDC shall propose and implement programs, policies and procedures designed to encourage and promote utilization of local businesses owned or operated by disadvantaged persons
- The public entity members of the RBDC shall each prepare and publish an annual report by November 1st of each year for submission to the RBDC.
- The RBDC shall encourage private businesses that are members of the RBDC to submit such reports.
- The reports shall include, at a minimum: (a) the number of employees of the entity, disaggregated by major ethnic/racial categories (White/African-American/Hispanic/Native American/Asian) and gender; (b) expenditures of capital funds for the preceding fiscal year, disaggregated by discretionary and non-discretionary expenditures; (c) the portion of such expenditures that were paid to disadvantaged businesses or persons, disaggregated by ethnicity/race and gender; (d) a summary of the efforts and programs aimed at encouraging and increasing parity in contracting and the economic involvement of disadvantaged businesses and persons; and (e) such other information as agreed to by the members of the RBDC. [Note: For purposes of this provision, disadvantaged persons include racial minorities, women, and the physically disabled and a disadvantaged business is a business owned or controlled by disadvantaged persons.]
- Using the member reports, the RBDC shall prepare and publish an annual report no later than March 15th of each year to the Legislative Counsel Bureau for transmission to the appropriate legislative committee and, in the odd-numbered years to the Legislature. These reports shall be used to provide baseline data on the current situation in Clark County and to measure progress.