Amendment No. 320

Senate Amendment to Senate Bill No. 377 (BDR 28-72						
Proposed by: Senate Committee on Government Affairs						
Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No	Digest: Yes					

ASSEMBLY ACTION		Initial and Date	SENATE ACTIO	TE ACTION Initial and Date	
Adopted		Lost		Adopted	Lost
Concurred In		Not	1	Concurred In	Not
Receded		Not	1	Receded	Not

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) red strikethrough is deleted language in the original bill; (4) purple double strikethrough is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) green bold dashed underlining is newly added transitory language.

DDE/EGO Date: 4/14/2009

S.B. No. 377—Makes various changes relating to public works. (BDR 28-729)

SENATE BILL No. 377–COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 23, 2009

Referred to Committee on Government Affairs

SUMMARY—[Makes various changes] Revises provisions relating to certain public works. (BDR [28] 35-729)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.

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; making provisions governing the awarding of certain smaller contracts of the Department of Transportation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

 Section 1 of this bill clarifies the exemption for certain purchasing contracts in existing law from the requirements for contracts for public works.

Section 2 of this bill eliminates the exemption for the Department of Transportation in existing law from the requirements for contracts for smaller public works and for specialty contracts:

Sections 3 6 of this bill eliminate the exemption for certain utilities and water districts in existing law from the requirements for competitive bidding for new construction, repair or reconstruction work that is not performed directly by the employees of the utility or water district.

Section 7 of this bill eliminates the exemption for the Department of Transportation in existing law to perform certain work or improvements with the facilities and employees of the Department.]

Existing law requires the Director of the Department of Transportation to advertise and mail bid invitations to interested bidders on contracts for highway projects with an estimated cost of \$250,000 or less. (NRS 408,367) This bill changes those requirements to provide that the Director must: (1) if the project is \$50,000 or less, solicit a bid from at least one licensed contractor; or (2) if the project is more than \$50,000 but not more than \$250,000, solicit bids from at least three licensed contractors. This bill also requires that any such bids received may be rejected based on certain criteria and requires the Director to prepare and maintain a quarterly report that details the larger contracts that were awarded. The requirements in this bill mirror the requirements from which the Department is exempt but which are imposed on the State and local governments for awarding contracts for public works with an estimated cost of \$100,000 or less. (NRS 338,1373, 338,13862)

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

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Section 1. [NRS 338.011 is hereby amended to read as follows:
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           338.011 The requirements of this chapter do not apply to a contract:
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       property [.] and which, if performed by a private person or entity, would not
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       require the person or entity to hold a license issued pursuant to chapter 624 of
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               Awarded to meet an emergency which results from a natural or man made
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               or contracts necessary to contend with the emergency may be let without
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       complying with the requirements of this chapter. If such emergency
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          <del>con by the authorized representative, the authorized representative shall report the</del>
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       contract or contracts to the public body at the next regularly scheduled meeting
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           public body.] (Deleted by amendment.)
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                                    is hereby amended to read as follows:
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              NRS 338.169 to 338.1699, inclusive
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       338.13862, 338.13864, 338.139,1 338.142, 338.169 to 338.1699, inclusive
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       construction, reconstruction, improvement and maintenance of highways that
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       awarded by the Department of Transportation pursuant to NRS 408.313 to 408.433
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       inclusive.] (Deleted by amendment.)
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           (a) Commence a public work for which the estimated cost exceeds $100,000
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       public work. If no qualified newspaper is published in the county where the public
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       work will be performed, the required advertisement must be published in some
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                                    printed in the State of Nevada and has a general
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           (b) Commence a public work for which the estimated cost is $100.000 or less
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           ess it complies with the provisions of NRS 338.1386, 338.13862 and 338.13864.
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           (e) Divide a public work into separate portions to avoid the requirements of
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                At least once each quarter, the authorized representative of a public body
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- Each advertisement for bids must include a provision that sets forth the requirement that a contractor must be qualified pursuant to NRS 338.1379 or 338.1382 to bid on the contract.
- 4. Approved plans and specifications for the bids must be on file at a place and time stated in the advertisement for the inspection of all persons desiring to bid thereon and for other interested persons. Contracts for the public work must be awarded on the basis of bids received.
- 5. Except as otherwise provided in subsection 6 and NRS 338.1389, a public body or its authorized representative shall award a contract to the lowest responsive and responsible bidder.
- -6. Any bids received in response to an advertisement for bids may be rejected if the public body or its authorized representative responsible for awarding the contract determines that:
 - (a) The bidder is not a qualified bidder pursuant to NRS 338.1379 or 338.1382;
 - (b) The bidder is not responsive or responsible;
- (e) The quality of the services, materials, equipment or labor offered does not eonform to the approved plans or specifications; or

 (d) The public interest would be served by such a rejection.
- A public body may let a contract without competitive bidding if no bids were received in response to an advertisement for bids and:
- (a) The public body publishes a notice stating that no bids were received and that the contract may be let without further bidding;
- (b) The public body considers any bid submitted in response to the notice published pursuant to paragraph (a);
- (e) The public body lets the contract not less than 7 days after publishing a notice pursuant to paragraph (a); and
- (d) The contract is awarded to the bidder who has submitted the lowest responsive and responsible bid.
- **S. Before a public body may commence the performance of a public work itself pursuant to the provisions of this section, based upon a determination that the public interest would be served by rejecting any bids received in response to an advertisement for bids, the public body shall prepare and make available for public inspection a written statement containing:
- (a) A list of all persons, including supervisors, whom the public body intends to assign to the public work, together with their classifications and an estimate of the direct and indirect costs of their labor;
- (b) A list of all equipment that the public body intends to use on the public work, together with an estimate of the number of hours each item of equipment will be used and the hourly cost to use each item of equipment;
- (e) An estimate of the cost of administrative support for the persons assigned to the public work;
- (d) An estimate of the total cost of the public work, including the fair market value of or, if known, the actual cost of all materials, supplies, labor and equipment to be used for the public work; and
- (e) An estimate of the amount of money the public body expects to save by rejecting the bids and performing the public work itself.
 - This section does not apply to:
- (a) Any utility subject to the provisions of chapter 318 or 710 of NRS [;] for work of new construction, repair or reconstruction performed directly by the employees of the utility;
- (b) Any work of construction, reconstruction, improvement and maintenance of highways subject to NRS 408.323 or 408.327:
 - (e) Normal maintenance of the property of a school district;

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- (d) The Las Vegas Valley Water District created pursuant to chapter 167, Statutes of Nevada 1947, the Moapa Valley Water District created pursuant to chapter 477, Statutes of Nevada 1983 or the Virgin Valley Water District created pursuant to chapter 100, Statutes of Nevada 1993 [;] , for work of new construction, repair or reconstruction performed directly by the employees of the District:
- (e) The design and construction of a public work for which a public body contracts with a design-build team pursuant to NRS 338.1711 to 338.1727, inclusive;
- (f) A constructability review of a public work, which review a local government or its authorized representative is required to perform pursuant to NRS 338 1435: or
- (g) The preconstruction or construction of a public work for which a public body enters into a contract with a construction manager at risk pursuant to NRS 338.169 to 338.1699, inclusive.] (Deleted by amendment.)
- Sec. 4. [NRS 338.1385 is hereby amended to read as follows: 338.1385 | 1. Except as otherwise provided in subsection 9, this State, or a governing body or its authorized representative that awards a contract for a public work in accordance with paragraph (a) of subsection 1 of NRS 338.1373 shall not:
- (a) Commence a public work for which the estimated cost exceeds \$100,000 unless it advertises in a newspaper qualified pursuant to chapter 238 of NRS that is published in the county where the public work will be performed for bids for the public work. If no qualified newspaper is published in the county where the public work will be performed, the required advertisement must be published in some qualified newspaper that is printed in the State of Nevada and having a general circulation within the county.
- (b) Commence a public work for which the estimated cost is \$100,000 or less unless it complies with the provisions of NRS 338.1386, 338.13862 and 338.13864.
- (c) Divide a public work into separate portions to avoid the requirements of paragraph (a) or (b).
- At least once each quarter, the authorized representative of a public body shall report to the public body any contract that the authorized representative awarded pursuant to subsection 1 in the immediately preceding quarter.
- 3. Each advertisement for bids must include a provision that sets forth the requirement that a contractor must be qualified pursuant to NRS 338.1379 or 338.1382 to bid on the contract.
- 4. Approved plans and specifications for the bids must be on file at a place and time stated in the advertisement for the inspection of all persons desiring to bid thereon and for other interested persons. Contracts for the public work must be awarded on the basis of bids received.
- 5. Except as otherwise provided in subsection 6 and NRS 338.1389, a public body or its authorized representative shall award a contract to the lowest responsive and responsible bidder.
- 6. Any bids received in response to an advertisement for bids may be rejected if the public body or its authorized representative responsible for awarding the contract determines that:
 - (a) The bidder is not a qualified bidder pursuant to NRS 338.1379 or 338.1382;
 - (b) The bidder is not responsive or responsible;
- (e) The quality of the services, materials, equipment or labor offered does not conform to the approved plans or specifications; or
 - (d) The public interest would be served by such a rejection.
 - 7. A public body may let a contract without competitive bidding if no bids were received in response to an advertisement for bids and:

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(c) The public body lets the contract not less than 7 days after publishing a notice pursuant to paragraph (a); and

(d) The contract is awarded to the lowest responsive and responsible bidder.

8. Before a public body may commence the performance of a public work itself pursuant to the provisions of this section, based upon a determination that the public interest would be served by rejecting any bids received in response to an advertisement for bids, the public body shall prepare and make available for public inspection a written statement containing:

(a) A list of all persons, including supervisors, whom the public body intends to assign to the public work, together with their classifications and an estimate of the direct and indirect costs of their labor;

(b) A list of all equipment that the public body intends to use on the public work, together with an estimate of the number of hours each item of equipment will be used and the hourly cost to use each item of equipment;

(c) An estimate of the cost of administrative support for the persons assigned to the public work;

(d) An estimate of the total cost of the public work, including, the fair market value of or, if known, the actual cost of all materials, supplies, labor and equipment to be used for the public work; and

(e) An estimate of the amount of money the public body expects to save by rejecting the bids and performing the public work itself.

This section does not apply to:

(a) Any utility subject to the provisions of chapter 318 or 710 of NRS [:] for work of new construction, repair or reconstruction performed directly by the employees of the utility;

(b) Any work of construction, reconstruction, improvement and maintenance of highways subject to NRS 408.323 or 408.327;

(e) Normal maintenance of the property of a school district:

(d) The Las Vegas Valley Water District created pursuant to chapter 167, Statutes of Nevada 1947, the Moapa Valley Water District created pursuant to chapter 477, Statutes of Nevada 1983 or the Virgin Valley Water District created pursuant to chapter 100, Statutes of Nevada 1993 [;] , for work of new construction, repair or reconstruction performed directly by the employees of the

(e) The design and construction of a public work for which a public body contracts with a design-build team pursuant to NRS 338.1711 to 338.1727, inclusive;

(f) A constructability review of a public work, which review a local government or its authorized representative is required to perform pursuant to NRS 338.1435; or

(g) The preconstruction or construction of a public work for which a public body enters into a contract with a construction manager at risk pursuant to NRS 338.169 to 338.1699, inclusive.] (Deleted by amendment.)
Sec. 5. [NRS 338.143 is hereby amended to read as follows:

1. Except as otherwise provided in subsection 8 and NRS 338.1907, a local government or its authorized representative that awards a contract for a public work in accordance with paragraph (b) of subsection 1 of NRS 338.1373 shall not:

- (a) Commence a public work for which the estimated cost exceeds \$100,000 unless it advertises in a newspaper qualified pursuant to chapter 238 of NRS that is published in the county where the public work will be performed for bids for the public work. If no qualified newspaper is published in the county where the public work will be performed, the required advertisement must be published in some qualified newspaper that is printed in the State of Nevada and has a general circulation in the county.
- (b) Commence a public work for which the estimated cost is \$100,000 or less unless it complies with the provisions of NRS 338.1442, 338.1444 and 338.1446.
- (e) Divide a project work into separate portions to avoid the requirements of paragraph (a) or (b).
 - 2. At least once each quarter, the authorized representative of a local government shall report to the governing body any contract that the authorized representative awarded pursuant to subsection 1 in the immediately preceding quarter.
 - 3. Approved plans and specifications for the bids must be on file at a place and time stated in the advertisement for the inspection of all persons desiring to bid thereon and for other interested persons. Contracts for the public work must be awarded on the basis of bids received.
 - 4. Except as otherwise provided in subsection 5 and NRS 338.147, the local government or its authorized representative shall award a contract to the lowest responsive and responsible bidder.
 - 5. Any bids received in response to an advertisement for bids may be rejected if the local government or its authorized representative responsible for awarding the contract determines that:
 - (a) The bidder is not responsive or responsible;
 - (b) The quality of the services, materials, equipment or labor offered does not conform to the approved plans or specifications; or
 - (e) The public interest would be served by such a rejection.
 - 6. A local government may let a contract without competitive bidding if no bids were received in response to an advertisement for bids and:
 - (a) The local government publishes a notice stating that no bids were received and that the contract may be let without further bidding:
 - (b) The local government considers any bid submitted in response to the notice published pursuant to paragraph (a);
 - (e) The local government lets the contract not less than 7 days after publishing a notice pursuant to paragraph (a); and
 - (d) The contract is awarded to the lowest responsive and responsible bidder.
 - 7. Before a local government may commence the performance of a public work itself pursuant to the provisions of this section, based upon a determination that the public interest would be served by rejecting any bids received in response to an advertisement for bids, the local government shall prepare and make available for public inspection a written statement containing:
 - (a) A list of all persons, including supervisors, whom the local government intends to assign to the public work, together with their classifications and an estimate of the direct and indirect costs of their labor;
 - (b) A list of all equipment that the local government intends to use on the public work, together with an estimate of the number of hours each item of equipment will be used and the hourly cost to use each item of equipment;
 - (c) An estimate of the cost of administrative support for the persons assigned to the public work;

- (d) An estimate of the total cost of the public work, including the fair market value of or, if known, the actual cost of all materials, supplies, labor and equipment to be used for the public work; and
- (e) An estimate of the amount of money the local government expects to save by rejecting the bids and performing the public work itself.
 - 8. This section does not apply to:
- (a) Any utility subject to the provisions of chapter 318 or 710 of NRS [;] for work of new construction, repair or reconstruction performed directly by the employees of the utility;
- (b) Any work of construction, reconstruction, improvement and maintenance of highways subject to NRS 408.323 or 408.327;
 - (e) Normal maintenance of the property of a school district;
 - (d) The Las Vegas Valley Water District created pursuant to chapter 167, Statutes of Nevada 1947, the Moapa Valley Water District created pursuant to chapter 477, Statutes of Nevada 1983 or the Virgin Valley Water District created pursuant to chapter 100, Statutes of Nevada 1993 [;] , for work of new construction, repair or reconstruction performed directly by the employees of the Districts
 - (e) The design and construction of a public work for which a public body contracts with a design-build team pursuant to NRS 338.1711 to 338.1727, inclusive:
 - (f) A constructability review of a public work, which review a local government or its authorized representative is required to perform pursuant to NRS 338.1435; or
 - (g) The preconstruction or construction of a public work for which a public body enters into a contract with a construction manager at risk pursuant to NRS 338.169 to 338.1699, inclusive.] (Deleted by amendment.)
 - Sec. 6. [NRS 338.143 is hereby amended to read as follows:
 - <u>338.143 1. Except as otherwise provided in subsection 8, a local government or its authorized representative that awards a contract for a public work in accordance with paragraph (b) of subsection 1 of NRS 338.1373 shall not:</u>
 - (a) Commence a public work for which the estimated cost exceeds \$100,000 unless it advertises in a newspaper qualified pursuant to chapter 238 of NRS that is published in the county where the public work will be performed for bids for the public work. If no qualified newspaper is published within the county where the public work will be performed, the required advertisement must be published in some qualified newspaper that is printed in the State of Nevada and has a general circulation within the county.
 - (b) Commence a public work for which the estimated cost is \$100,000 or less unless it complies with the provisions of NRS 338.1442, 338.1444 or 338.1446.
 - (e) Divide a public work into separate portions to avoid the requirements of paragraph (a) or (b).
 - 2. At least once each quarter, the authorized representative of a local government shall report to the governing body any contract that the authorized representative awarded pursuant to subsection 1 in the immediately preceding quarter.
 - 3. Approved plans and specifications for the bids must be on file at a place and time stated in the advertisement for the inspection of all persons desiring to bid thereon and for other interested persons. Contracts for the public work must be awarded on the basis of bids received.
 - 4. Except as otherwise provided in subsection 5 and NRS 338.147, the local government or its authorized representative shall award a contract to the lowest responsive and responsible bidder.

Any bids received in response to an advertisement for bids may be rejected 2 if the local government or its authorized representative responsible for awarding the 3 4 contract determines that: (a) The bidder is not responsive or responsible; 5 (b) The quality of the services, materials, equipment or labor offered does not eonform to the approved plans or specifications; or

(c) The public interest would be served by such a rejection. 6 7 6. A local government may let a contract without competitive bidding if no 8 9 bids were received in response to an advertisement for bids and: 10 (a) The local government publishes a notice stating that no bids were received 11 and that the contract may be let without further bidding; (b) The local government considers any bid submitted in response to the notice 12 13 published pursuant to paragraph (a); 14 (e) The local government lets the contract not less than 7 days after publishing 15 pursuant to paragraph (a); and (d) The contract is awarded to the lowest responsive and responsible bidder. 16 7. Before a local government may commence the performance of a public work itself pursuant to the provisions of this section, based upon a determination 17 18 that the public interest would be served by rejecting any bids received in response 19 20 to an advertisement for bids, the local government shall prepare and make available 21 for public inspection a written statement containing: 22 (a) A list of all persons, including supervisors, whom the local government 23 intends to assign to the public work, together with their classifications and an 24 estimate of the direct and indirect costs of their labor; 25 (b) A list of all equipment that the local government intends to use on the 26 public work, together with an estimate of the number of hours each item of 27 equipment will be used and the hourly cost to use each item of equipment; 28 (c) An estimate of the cost of administrative support for the persons assigned to 29 the public work; (d) An estimate of the total cost of the public work, including the fair market 30 31 value of or, if known, the actual cost of all materials, supplies, labor and equipment 32 to be used for the public work; and 33 (e) An estimate of the amount of money the local government expects to save 34 by rejecting the bids and performing the public work itself. 35 This section does not apply to: 36 (a) Any utility subject to the provisions of chapter 318 or 710 of NRS [;] for 37 work of new construction, repair or reconstruction performed directly by the 38 employees of the utility; 39 (b) Any work of construction, reconstruction, improvement and maintenance of highways subject to NRS 408.323 or 408.327: 40 (e) Normal maintenance of the property of a school district; (d) The Las Vegas Valley Water District created pursuant to chapter 167, 41 42 Statutes of Nevada 1947, the Moapa Valley Water District created pursuant to 43 chapter 477, Statutes of Nevada 1983 or the Virgin Valley Water District created 44 pursuant to chapter 100, Statutes of Nevada 1993 [;] , for work of new 45 construction, repair or reconstruction performed directly by the employees of the 46 47 District: 48 (e) The design and construction of a public work for which a public body contracts with a design-build team pursuant to NRS 338.1711 to 338.1727, 49 50 inclusive;

(f) A constructability review of a public work, which review a local

government or its authorized representative is required to perform pursuant to NRS

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(g) The preconstruction or construction of a public work for which a public body enters into a contract with a construction manager at risk pursuant to NRS 338.169 to 338.1699, inclusive.] (Deleted by amendment.)

Sec. 7. [NRS 408.323 is hereby amended to read as follows:

408.323 [1. Whenever it can be justified by the Director that limited work or improvements can be done in a more economical or other satisfactory manner than by contract under NRS 408.327, the Director may, with the approval of the Board, execute such work or improvements with Department facilities and employees.

2.] In the event of disaster or great emergency the Director may, with the approval of the Board, hire, employ or contract for such labor, materials and equipment as are in his opinion necessary to reroute, repair or replace any highway. threatened or damaged by the emergency or disaster, and the provisions of NRS 408.327 and 408.367 do not apply.] (Deleted by amendment.)

Sec. 8. NRS 408.367 is hereby amended to read as follows:

- 408.367 1. With the approval of the Board, the Director may receive informal bids and award contracts for highway construction, reconstruction, improvements, and maintenance on projects estimated to cost not in excess of \$250,000.
- 2. [Such informal bids must be submitted in accordance with due advertisement thereof being published for at least one publication in any newspaper or publication.
- 3. The Department shall mail a copy of the bid invitation to all bidders who are on record with the Department as desiring to receive bid invitations on projects estimated to cost not in excess of \$250,000.
- 4.] Before awarding a contract pursuant to subsection 1, the Director must: (a) If the estimated cost of the project is \$50,000 or less, solicit a bid from at least one properly licensed contractor; and
- (b) If the estimated cost of the project is more than \$50,000 but not more than \$250,000, solicit bids from at least three properly licensed contractors.
- 3. Any bids received in response to a solicitation for bids made pursuant to subsection 2 may be rejected if the Director determines that:
- (a) The quality of the services, materials, equipment or labor offered does not conform to the approved plan or specifications;
 - (b) The bidder is not responsive or responsible; or
 - (c) The public interest would be served by such a rejection.
- 4. At least once each quarter, the Director shall prepare a report detailing, for each project for which a contract for its completion is awarded pursuant to paragraph (b) of subsection 2, if any:
 - (a) The name of the contractor to whom the contract was awarded;
 - (b) The amount of the contract awarded;
 - (c) A brief description of the project; and
 - (d) The names of all contractors from whom bids were solicited.
- 5. A report prepared pursuant to subsection 4 is a public record and must be maintained on file at the principal offices of the Department.
- 6. Except as otherwise provided in NRS 408.354, contracts awarded pursuant to the provisions of this section must be accompanied by bonds and conditioned and executed in the name of the State of Nevada, and must be signed by the Director under the seal of the Department, and by the contracting party or parties. The form and legality of those contracts must be approved by the Attorney General or Chief Counsel of the Department.
- [Sec. 8.] Sec. 9. [1. This section and sections 1, 2, 3, 5 and 7 of this] This act [becomes] becomes effective on July 1, 2009.

- 2. Sections 3 and 5 of this act expire by limitation on April 30, 2013
 - 3. Sections 4 and 6 of this act become effective on May 1, 2013.