

ASSEMBLY BILL NO. 374—ASSEMBLYMEN WOODBURY;
DALY AND HAMMOND

MARCH 21, 2011

Referred to Committee on Transportation

SUMMARY—Directs the Department of Administration and the Department of Transportation to conduct a joint review of the mobile equipment owned by the Department of Transportation. (BDR S-852)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

EXPLANATION – Matter in **bolded italics** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to mobile equipment; directing the Department of Administration and the Department of Transportation to conduct a joint review of the mobile equipment owned by the Department of Transportation and a joint analysis of the costs and benefits associated with the purchasing or leasing of that mobile equipment for the Department of Transportation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law requires the Board of Directors of the Department of
2 Transportation to authorize the purchase by the Department of Transportation of
3 any equipment which exceeds \$50,000. (NRS 408.389) Further, existing law
4 requires the Chief of the Purchasing Division of the Department of Administration
5 to adopt regulations which set forth standards to be used by agencies when
6 purchasing new equipment to determine whether that equipment can be leased or
7 rented at a cost that is equal to or less than the cost of purchasing the equipment.
8 (NRS 333.155) Existing regulations of the Purchasing Division provide that before
9 an agency may acquire through the Division an item of equipment which is needed
10 for a fixed period and for which the cost is not included in the executive budget, the
11 agency must obtain from the Division a determination of which method of
12 acquiring the item is the most cost-effective and in the best interest of this State.
13 (NAC 333.110)

14 This bill requires the Department of Administration and the Department of
15 Transportation to conduct a joint review of all mobile equipment currently owned
16 by the Department of Transportation. The review must include such considerations
17 as an analysis of the costs paid for the equipment, the number of hours the



equipment is used per year throughout the State, the cost of maintenance, the manner in which maintenance is performed and the cost of renting or leasing the same piece of equipment. This bill also requires the Department of Administration and the Department of Transportation to analyze the costs and benefits of purchasing versus leasing each type of mobile equipment used by the Department of Transportation and to establish criteria to be used when making a determination whether to purchase or lease such equipment in the future. Further, Department of Administration and the Department of Transportation must make recommendations for legislation to carry out the criteria and any other changes to legislation relating to purchasing versus renting or leasing equipment by the Department of Transportation. On or before January 1, 2013, a report containing the review and all recommendations must be submitted to the Director of the Legislative Counsel Bureau for transmittal to the Senate Standing Committee on Transportation, the Assembly Standing Committee on Transportation, the Senate Standing Committee on Finance and the Assembly Standing Committee on Ways and Means.

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

Section 1. 1. The Department of Administration and the Department of Transportation shall jointly conduct a review of all mobile equipment owned by the Department of Transportation on and after July 1, 2011, but before January 1, 2013. For each piece of equipment, the review must include, without limitation:

- (a) The date the equipment was purchased;
- (b) The total number of hours the equipment has been used in each year since the equipment was purchased;
- (c) The need for the equipment in this State;
- (d) The geographic region of this State in which the equipment was most used;
- (e) The cost of purchasing the equipment, including, without limitation:
 - (1) The price of the equipment;
 - (2) The associated cost of administration;
 - (3) The cost of transportation;
 - (4) The cost of maintenance;
 - (5) The estimated life of the equipment;
 - (6) The salvage value of the equipment at the expiration of its estimated life; and
 - (7) Any other information that may materially affect the cost of purchasing the equipment;
- (f) The manner in which maintenance is performed on the equipment;
- (g) The cost of renting or leasing the same item of equipment, including, without limitation:
 - (1) The amount of the required initial payment;
 - (2) The amount of each required monthly payment;



- 1 (3) The associated cost of administration;
- 2 (4) The cost of transportation;
- 3 (5) The cost of maintenance;
- 4 (6) The cost of returning the equipment;
- 5 (7) The cost of wear and tear caused to the equipment;
- 6 (8) The estimated resale value of the equipment at the
- 7 expiration of the term of the rental agreement or lease; and
- 8 (9) Any other information that may materially affect the cost
- 9 of renting or leasing the equipment;
- 10 (h) An analysis of the costs and benefits of purchasing versus
- 11 leasing the equipment based upon paragraphs (a) to (g), inclusive,
- 12 and any other factors which may affect such a decision; and
- 13 (i) A recommendation as to whether it is more beneficial and
- 14 cost effective to this State to retain ownership of the equipment or to
- 15 sell or otherwise dispose of the equipment and enter into a rental
- 16 agreement or lease for any new equipment.
- 17 2. Based upon the review completed pursuant to subsection 1,
- 18 the Department of Administration and the Department of
- 19 Transportation shall jointly establish criteria for determining the
- 20 circumstances under which the Department of Transportation is
- 21 required to enter into a rental agreement or lease for new mobile
- 22 equipment rather than purchase such equipment.
- 23 3. On or before January 1, 2013, the Department of
- 24 Administration and the Department of Transportation shall jointly
- 25 prepare and submit a report containing a summary of the review
- 26 required pursuant to subsection 1, the criteria established pursuant to
- 27 subsection 2 and any recommendations for legislation to the
- 28 Director of the Legislative Counsel Bureau for transmittal to:
- 29 (a) The Senate Standing Committee on Transportation;
- 30 (b) The Assembly Standing Committee on Transportation;
- 31 (c) The Senate Standing Committee on Finance; and
- 32 (d) The Assembly Standing Committee on Ways and Means.
- 33 **Sec. 2.** This act becomes effective on July 1, 2011.

