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

MARCH 21, 2011

Referred to Committee on Transportation

SUMMARY—Revises provisions governing the purchase of certain mobile equipment by the Department of Transportation. (BDR 35-852)

FISCAL NOTE: Effect on Local Government: No.
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 mobile equipment; requiring the Director of the Department of Transportation to submit a report to the Governor and the Legislature relating to the elimination by outsourcing or the purchase or leasing of certain mobile equipment; requiring the Department to prepare and present an analysis of the costs and benefits associated with the purchasing or leasing of certain mobile equipment or contracting for the performance of the work which would have been performed using that mobile equipment; prohibiting the Board of Directors of the Department from approving the purchase of certain mobile equipment unless the Department justifies the purchase based on the costs and benefits analysis; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Director of the Department of Transportation to submit various reports to the Legislature concerning the activities of the Department. (NRS 408.203) **Section 2** of this bill provides that, on or before February 1 of each odd-numbered year, the Director is required to submit a report to the Governor and the Legislature concerning all mobile equipment eliminated by outsourcing or purchased or leased in the previous 2 years. **Section 2** further requires that the report include, without limitation, the costs and benefits analysis prepared pursuant to **section 3** of this bill and the justification for the decision to purchase or lease the mobile equipment or to enter into a contract for the performance of the work which would have been performed using the mobile equipment.

Existing law requires the Board of Directors of the Department to authorize the purchase by the Department of any equipment which exceeds $50,000. (NRS 408.389) **Section 3** provides that, before the Board may approve the purchase of any mobile equipment which exceeds $50,000, the Department is required to: (1) prepare and present a costs and benefits analysis of purchasing or leasing the mobile equipment or contracting for the performance of the work which would have been performed using the mobile equipment; and (2) justify purchasing instead of leasing or contracting based on that analysis. **Section 3** further prohibits the Board from approving any purchase of mobile equipment which exceeds $50,000 unless the Department is able to justify purchasing based on that analysis.

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

Section 1. (Deleted by amendment.)

Sec. 2. NRS 408.203 is hereby amended to read as follows:

408.203 The Director shall:

1. Compile a comprehensive report outlining the requirements for the construction and maintenance of highways for the next 10 years, including anticipated revenues and expenditures of the Department, and submit it to the Director of the Legislative Counsel Bureau for transmittal to the Chairs of the Senate and Assembly Standing Committees on Transportation.

2. Compile a comprehensive report of the requirements for the construction and maintenance of highways for the next 3 years, including anticipated revenues and expenditures of the Department, no later than October 1 of each even-numbered year, and submit it to the Director of the Legislative Counsel Bureau for transmittal to the Chairs of the Senate and Assembly Standing Committees on Transportation.

3. Report to the Legislature by February 1 of odd-numbered years the progress being made in the Department's 12-year plan for the resurfacing of state highways. The report must include an accounting of revenues and expenditures in the preceding 2 fiscal years, a list of the projects which have been completed, including mileage and cost, and an estimate of the adequacy of projected revenues for timely completion of the plan.

4. On or before February 1 of each odd-numbered year, submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature a written report concerning all mobile equipment eliminated by outsourcing or purchased or leased by the Department in the preceding 2 fiscal years. The report must include, without limitation, an analysis of the costs and benefits of each purchase, lease or contract prepared pursuant to subsection 2 of NRS 408.389, the justification for the decision to purchase,

lease or contract and any other information required by the Director relating to such purchase, lease or contract.

Sec. 3. NRS 408.389 is hereby amended to read as follows:

408.389 1. ~~[The]~~ ***Except as otherwise provided in subsection 2, the*** Department shall not purchase any equipment which exceeds $50,000, unless the purchase is first approved by the Board.

2. ***Before the Board may approve the purchase of any mobile equipment which exceeds $50,000, the Department shall:***

(a) Prepare and present to the Board an analysis of the costs and benefits, including, without limitation, all related personnel costs, that are associated with:

(1) Purchasing, operating and maintaining the same item of equipment;

(2) Leasing, operating and maintaining the same item of mobile equipment; or

(3) Contracting for the performance of the work which would have been performed using the mobile equipment; and

(b) Justify the need for the purchase based on that analysis.

3. The Board shall not ~~[delegate]~~ ***:***

(a) Delegate to the Director its authority to approve purchases of equipment pursuant to subsection 1 ~~[.]~~ ***; or***

(b) Approve any purchase of mobile equipment which exceeds $50,000 and for which the Department is unable to provide justification pursuant to subsection 2.

Sec. 4. This act becomes effective on July 1, 2011.

30