

## Amendment No. 317

Assembly Amendment to Assembly Bill No. 374

(BDR S-852)

**Proposed by:** Assembly Committee on Transportation**Amends:** Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date	
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

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 underlining* is newly added transitory language.

CAF/JRS



Date: 4/17/2011

A.B. No. 374—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)



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]~~ Revises provisions governing the purchase of certain mobile equipment ~~[owned]~~ by the Department of Transportation. (BDR ~~[S-852]~~ 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; ~~[directing the Department of Administration and]~~ requiring the Director of the Department of Transportation to ~~[conduct a joint review of the]~~ submit a report to the Governor and the Legislature relating to the purchase or leasing of certain mobile equipment ~~[owned by the Department of Transportation and a joint]~~, requiring the Department to prepare and present an analysis of the costs and benefits associated with the purchasing or leasing of ~~[that]~~ certain mobile equipment ~~[for the Department of Transportation]~~; 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 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.

Existing law requires the Board of Directors of the Department ~~[of Transportation]~~ to authorize the purchase by the Department ~~[of Transportation]~~ of any equipment which exceeds \$50,000. (NRS 408.389) ~~[Further, existing law requires the Chief of the Purchasing Division of the Department of Administration to adopt regulations which set forth standards to be used by agencies when purchasing new equipment to determine whether that equipment can be leased or rented at a cost that is equal to or less than the cost of purchasing the~~

~~equipment. (NRS 322.155) Existing regulations of the Purchasing Division provide that before an agency may acquire through the Division an item of equipment which is needed for a fixed period and for which the cost is not included in the executive budget, the agency must obtain from the Division a determination of which method of acquiring the item is the most cost effective and in the best interest of this State. (NAC 322.110)~~

~~— This bill requires the Department of Administration and the Department of Transportation to conduct a joint review of all mobile equipment currently owned by the Department of Transportation. The review must include such considerations 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.] **Section 3 provides that, before the Board may approve the purchase of any mobile equipment which exceeds \$50,000, the Department is required to prepare and present a costs and benefits analysis of purchasing or leasing the mobile equipment and justify purchasing instead of leasing 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 instead of leasing based on that analysis.**~~

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

1 the next regular session of the Legislature a written report concerning all mobile  
2 equipment purchased or leased by the Department in the preceding 2 fiscal years.  
3 The report must include, without limitation, an analysis of the costs and benefits  
4 of each purchase or lease prepared pursuant to subsection 2 of NRS 408.389, the  
5 justification for the decision to purchase or lease and any other information  
6 required by the Director relating to such purchase or lease.

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

8 408.389 1. ~~The~~ Except as otherwise provided in subsection 2, the  
9 Department shall not purchase any equipment which exceeds \$50,000, unless the  
10 purchase is first approved by the Board.

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

13 (a) Prepare and present to the Board an analysis of the costs and benefits  
14 associated with purchasing or leasing the same item of mobile equipment; and

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

16 3. The Board shall not ~~delegate~~ ;

17 (a) Delegate to the Director its authority to approve purchases of equipment  
18 pursuant to subsection 1 ~~1~~ ; or

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

22 ~~Sec. 2~~

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