MINUTES OF THE MEETING OF THE ASSEMBLY COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS

Eighty-First Session May 6, 2021

The Committee on Legislative Operations and Elections was called to order by Chair Brittney Miller at 4:05 p.m. on Thursday, May 6, 2021, Online and in Room 3142 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda (Exhibit A), the Attendance Roster (Exhibit B), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Brittney Miller, Chair Assemblywoman Sandra Jauregui, Vice Chair Assemblywoman Jill Dickman Assemblyman Jason Frierson Assemblywoman Cecelia González Assemblyman Glen Leavitt Assemblyman Andy Matthews Assemblyman Richard McArthur Assemblywoman Daniele Monroe-Moreno Assemblywoman Clara Thomas Assemblywoman Selena Torres

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Pepper Sturm, Committee Policy Analyst Kathleen M. Norris, Committee Counsel Bonnie Borda Hoffecker, Committee Manager Jordan Green, Committee Secretary Trinity Thom, Committee Assistant



OTHERS PRESENT:

Jim Haining, Member, Commission to Study Governmental Purchasing Alexis Motarex, Government Affairs Manager, Nevada Chapter, Associated General Contractors of America

Chair Miller:

[Roll was called. Committee rules and protocol were explained.] On today's agenda, we have two bills. We will be taking them out of order; the first one will be <u>Senate Bill 176 (1st Reprint)</u> and then <u>Senate Joint Resolution 6</u>.

I am not sure if Senator Spearman is here; if not, Mr. Haining with the Commission to Study Governmental Purchasing is here to present the bill. I would like to open the hearing on S.B. 176 (R1). This is a measure authorizing the Commission to request the drafting of not more than one legislative measure for each regular session.

Senate Bill 176 (1st Reprint): Revises provisions relating to the Commission to Study Governmental Purchasing. (BDR 17-512)

Jim Haining, Member, Commission to Study Governmental Purchasing:

I am the purchasing manager at the Las Vegas Valley Water District and the former chair of the Commission to Study Governmental Purchasing, which is the group that was created in *Nevada Revised Statutes* (NRS) 332.215. We are made up of the purchasing managers from all the large local government and state entities within the state. I think it was in 2005 that we were created, and our purpose is to study the laws that relate to governmental purchasing and then to bring it to the legislative session.

We never had the ability to bring forth a bill draft request (BDR) to make any changes; we went about ten years attempting to find sponsors for some changes we wanted to make. Last session, the state of Nevada put forth a BDR [Assembly Bill 86 of the 80th Session], and we were able to tag on with them as it was changing NRS Chapter 333, which relates particularly to state purchasing. We were never able to make changes to NRS Chapter 332 because we did not have the ability to have a BDR.

Senator Spearman and the Sunset Subcommittee of the Legislative Commission had gone through a bunch of these commissions and councils over the last year and were looking to see what we could do. One of our recommendations was that we needed a BDR to be able to put forth any changes that we would like to propose to the Legislature. The bill went through the Senate. The Senate made a couple of amendments; we are OK with these amendments.

We highly recommend that the Assembly also passes this bill. If you have any questions, I would be happy to answer them.

Chair Miller:

I believe we will have a number of questions. The first one comes from Assemblyman Matthews.

Assemblyman Matthews:

I am going by recollection here, but I thought that the Commission to Study Governmental Purchasing was created some time in the mid-1970s. Am I incorrect in that?

Jim Haining:

I do not think it was created in the 1970s, but I could be wrong. [A government purchasing study commission was created by <u>Assembly Bill 509 of the 58th Session</u>.] I know it has been a while, and we have had a very difficult time trying to put forth any measures. We often found that when we had approached different governmental agencies, they were always full with their BDRs. We also approached some legislators who we thought were going to help sponsor something; then they would back out at the last minute.

Assemblyman Matthews:

I know it may be difficult to predict with specificity, but could you speak to the kinds of BDRs that you would anticipate the Commission bringing forward—at least the areas of subject matter where you think some bill draft requests would be necessary for the Commission?

Jim Haining:

They would be one hundred percent around NRS Chapter 332, which is the local purchasing statute—possibly something in NRS Chapter 338 to try to make those two chapters merge a little closer. There are some inconsistencies that kind of piggyback onto NRS Chapter 332, but not totally. Those would be the subject matters of anything we would do.

Assemblyman Matthews:

As someone who is not all that familiar with the Commission, and it might be helpful for the Committee, perhaps you will indulge me with a little information. Who are the members of this Commission? How often do you meet? Maybe start there, please.

Jim Haining:

The members of this Commission are all the major public entities in Washoe County and Clark County. They are the required members: the purchasing managers from all the cities, all the special districts, any of the other local governments, and the counties. Some of the smaller counties do occasionally participate with us, but the statute requires all the counties over 100,000 people, so it is Washoe County and Clark County. What was the second part of your question?

Assemblyman Matthews:

How often does the Commission physically meet?

Jim Haining:

The statute requires that we meet quarterly at a minimum. During the legislative session, we meet monthly just to discuss the various bills that are going to be impacting the local government purchasing statutes; NRS Chapters 332 and 338 are what we particularly look at. Since COVID-19, we have gone to full online meetings because we have people in Reno, Las Vegas, and all across the state. So that we do not have to travel, we now have virtual meetings.

Assemblyman Matthews:

My understanding is that the Commission is required to comply with the state's Open Meeting Law. Is that correct? If so, what steps or practices are in place to ensure that compliance? For example, how and where do you post notices of meetings?

Jim Haining:

We post notices of meetings in four different locations. I think the City of Sparks, the City of Reno, Clark County, and the City of Las Vegas post the physical notices. We also post it on the state's meeting notice website [notice.nv.gov], and we email it out to all our members and others who have asked to be on our mailing list.

Chair Miller:

Are there any additional questions?

Assemblywoman Dickman:

I am unfamiliar with this Commission as well, and I was wondering how many members are on the Commission. Is there a list of them somewhere?

Jim Haining:

I could get you a list. It is the purchasing managers for all the cities; the counties; I am with the Las Vegas Valley Water District, so the special districts; the Las Vegas Metropolitan Police Department; the convention centers; the regional transportation commissions in both Clark County and Washoe County; the school districts; and many in Carson City also participate, both the Carson City School District and Carson City.

Assemblywoman Dickman:

Do all these people regularly attend the meetings? How do you establish a quorum?

Jim Haining:

Most of them attend the meetings. I think the bylaws state the number of people at the meeting establish a quorum.

Assemblyman Leavitt:

I think we are all pretty unfamiliar with this Commission. Does the Commission submit a report, annually or quarterly, of findings or issues that you see coming up? I think that would be helpful in knowing your issues if you submitted a report to some entity. Do you do that at any point as you meet?

Jim Haining:

We do not because we do not have any entity that we report to. We were formed by legislation and so we meet, but there is no one to report to. There is no reporting required through the legislation—just the requirements that we have quarterly meetings and that we study matters of governmental purchasing that we have to comply with.

Assemblywoman Torres:

You mentioned that there were bylaws for this Commission. It would be my request if you could submit a copy of the bylaws to the Committee so that we can take a look at those. I think it is pretty common practice for us to put those types of parameters for commissions inside the statute, so it might make sense for us to get some of the language out of the bylaws and put it into statute. I think it would help us understand the way that this Commission is currently functioning since we do not currently have a copy of them—I could not find a website for the Commission. If we could get that information, I think it would be helpful.

Jim Haining:

I can forward that on. I will get it to my contact with Senator Spearman's office; hopefully, she can move it to this Committee. I just want to mention that the way the Commission was formatted, it was very loose from the very beginning. We meet to comply with the statute. We do have cochairs, one in the north and one in the south, so both are represented equally in chairing the Commission. We would highly recommend that we approve this as amended so that we can bring forth those things.

You said that you cannot find a website. I wanted to mention that it is because we do not have a website. We do not have any funds. We are not sponsored by any particular entity, so we just meet, we do our stuff according to the Open Meeting Law, and we try to find sponsors to the things that we would like to recommend for consideration whenever there is a legislative session coming up.

Assemblywoman González:

I just wanted to confirm for the record that we do not have a number of how many folks sit on this Commission.

Jim Haining:

We do. I could come up with that and send you a roster, but it is representatives from all the local government entities in Clark County, Washoe County, and some of the other smaller counties and Carson City, but the smaller counties are not required to be members. They participate because NRS Chapters 332 and 338 affect them as well as those of us in the larger counties.

Assemblywoman González:

I do not know if you gave an example or if I missed it. What would be examples of BDRs that the Commission would present?

Jim Haining:

Examples would be changes to best practices that relate to local government purchasing, particularly in NRS Chapter 332, and possibly some in NRS Chapter 338, which is the public works statute for construction projects. The things that we work on all have to do with purchasing for goods and services and then construction projects out of the public works statute. Sometimes the stuff is tied together; other times it is not as cohesive as it could be within the statutes.

Chair Miller:

We have one final question from Assemblyman Leavitt.

Assemblyman Leavitt:

Thank you, Madam Chair, you are the best.

Chair Miller:

Make sure that is on the record, please.

Assemblyman Leavitt:

Speaker Frierson aside, you are the best. Yes, I went there.

In section 2.5, subsection 2, of <u>S.B. 176 (R1)</u>, which amends NRS 332.215, it says: "The Commission shall make recommendations with respect to those practices and laws to the next regular session of the Legislature." You are required to submit some recommendations or some sort of report, and I just wondered if that ever happens.

Jim Haining:

While it requires us to submit recommendations, we did not have an avenue to do such; therefore, we requested and were able to work with Senator Spearman to get this BDR. Our other suggestion: if we do not have an avenue to submit our recommendations, the other approach would be to dissolve us. We would probably still continue to meet and talk amongst ourselves because we have built relationships with one another, and everything that happens in the Legislature around NRS Chapters 332 and 338 affects each of us, but without the ability and the avenue—we could submit a report, but if it does not turn into a BDR somewhere, all of our efforts are moot. We would just have to work with our own lobbyists to attempt to get something, but most of our entities are limited in the number of BDRs that they can submit. The things that are important to us usually are not important enough for the entity. There are more important things that they would want to deal with, but this is important to those of us in the purchasing realm.

Chair Miller:

I have one final question. Could you give us an example of a recommendation that you have made in the past that was not followed through or a recommendation that you made in the past that did come to fruition?

Jim Haining:

In the last legislative session, we were able to piggyback onto a bill requested by the Office of the Governor through the Department of Administration, Purchasing Division [A.B. 86 of the 80th Session]. We were able to make about 95 percent of the changes that we had been trying to find a sponsor for over the last ten years, but there were a couple of things that were a little politically sensitive. We wanted to make sure that the majority of our stuff passed, so there are a couple of things that we would like to put forth in another BDR. We were not able to find a sponsor for this session, so none of that happened.

One of those things is we have a requirement to advertise all of our bids in the legal section of a local newspaper. That has become very inefficient as our suppliers are not looking in the newspaper for bidding opportunities anymore. That used to be something that happened 20 years ago. Today, 26 entities use an electronic bidding website, and we have a supplier registration system [Nevada Government eMarketplace]. We already have 6,000 or 7,000 suppliers registered to receive all these entities' bids and public solicitations—and they can submit their bids electronically—but we still have this requirement to advertise in the newspaper. It costs us tens of thousands of dollars a year to do such; some entities are spending tens of thousands of dollars a year individually. If we could remove that requirement and allow us to just notify our bidders on the electronic system if we are using one—if we do not have one, we would still need to advertise in the newspaper—that would be one of the recommendations that we would like to put forth into the next session.

Also, there are some inconsistencies between NRS Chapters 332 and 338 as to the ability to submit bids electronically. If we could clean up some of that language so that there were no ambiguities, it would be helpful to everybody, including the suppliers and the bidders who want to do business with us.

They did add something into this bill that was good. As well as doing what we normally do studying practices in governmental purchasing, they included the language in section 2.5, subsection 2: "without limitation, best practices for awarding contracts to companies that represent the diversity of this State or are located within communities served by the governing body that is awarding the contract"—basically doing more supplier-diversity outreach and best practices around awarding contracts for that.

Chair Miller:

I will open testimony in support of <u>S.B. 176 (R1)</u>. Is there anyone in the room who would like to come forward and testify in support? [There was no one.] Is there anyone on the phone lines who would like to testify in support? [There was no one.] I will open testimony in opposition. Is there anyone in the room?

Alexis Motarex, Government Affairs Manager, Nevada Chapter, Associated General Contractors of America:

I am with the Nevada Chapter of the Associated General Contractors of America (AGC), representing the commercial construction industry in northern Nevada.

We are here in opposition to <u>S.B. 176 (R1)</u>, not necessarily the idea of the Commission getting a BDR, but until there is more transparency and structure, we have to oppose this bill. Many of the AGC members engage in public purchasing and, thus, we have tried to engage with the Commission on their behalf over the years. As many of the questions have pointed out, the lack of transparency is concerning. There is no website, meeting notices are nearly impossible to find, there is no list of Commission members, and no minutes are available. This has always been a frustration and something we have worked around, but if the Commission is going to get a BDR, it makes it all the more imperative that the Commission must start complying with the Open Meeting Law and allowing the public to fully participate in its meetings.

We do understand the frustration of the Commission members with the lack of clarity in statute of what exactly they are tasked with and understand why they think getting a BDR will provide some purpose, but without transparency, this should not be allowed to happen. Per current NRS, in counties over 100,000, all purchasing agents of the local governments must be members of the jurisdictions, and smaller counties may be members [NRS 332.215]. Who exactly is on the Commission? Who are the voting members? What constitutes a quorum? This loose wording makes it impossible to tell.

It is our belief that the Commission as it is currently structured and operated has not matured to the point where it has proven it can self-direct and request its own BDR. However, if guidance and structure can be provided in this statute as it is with other commissions and committees and the Commission fully complies with the Open Meeting Law, we would be satisfied with that and would look forward to working with them on matters related to public purchasing. Thank you.

Chair Miller:

I do not see anyone else in the room. Is there anyone on the line to testify in opposition? [There was no one.] I will open testimony in neutral. There is no one in the room. Is there anyone on the line? [There was no one.] Mr. Haining, would you like to make final remarks?

Jim Haining:

The Commission has done everything it has been asked to do to comply. We do adhere to the Open Meeting Law. The Association of General Contractors attends every one of our meetings. Our meetings are posted; there is transparency. I hope you consider this. I will get you a list of all the members and our bylaws; I have them. I recommend you approve this as the Senate did. Thank you.

Chair Miller:

Thank you for presenting today and bringing this forward, Mr. Haining. I will close the hearing on Senate Bill 176 (1st Reprint).

Do we have Senator Spearman on Zoom? [She was not there.] Committee, we will relax for a few minutes, but that means do not go anywhere.

<u>Senate Joint Resolution 6</u> is scheduled for hearing tonight, but we do not have a presenter available right now. We will roll this bill to next week on Tuesday and hear the bill then.

Senate Joint Resolution 6: Expresses support for the creation of a retirement plan for spouses of members of the military. (BDR R-384)

[This bill was not heard and was rescheduled.]

Chair Miller:

Our next agenda item is public comment. Do we have anyone for public comment? [There was no one.] I would still like to wait just a few moments because that came up rapidly. Is there anyone for public comment? [There was no one.]

We have no more work before us. We will be meeting Tuesday, May 11, 2021, at 4 p.m. We will roll <u>Senate Joint Resolution 6</u> to Tuesday. This meeting is adjourned [at 4:42 p.m.].

	RESPECTFULLY SUBMITTED:
	Jordan Green
	Committee Secretary
APPROVED BY:	
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Assemblywoman Brittney Miller, Chair	
DATE:	

EXHIBITS

Exhibit A is the Agenda.

Exhibit B is the Attendance Roster.