

SENATE BILL NO. 185—SENATOR NEAL

FEBRUARY 22, 2023

Referred to Committee on Government Affairs

SUMMARY—Establishes provisions relating to businesses.
(BDR 18-35)

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

CONTAINS UNFUNDED MANDATE (§§ 5, 6)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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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 economic development; creating the Business Opportunity Outreach Unit within the Purchasing Division of the Department of Administration; requiring the Administrator of the Purchasing Division to appoint the Director of the Unit; setting forth the duties of the Unit; requiring local governments and state agencies to cooperate with the Unit; requiring certain local governing bodies and the Administrator of the Purchasing Division to establish certain procedures for microbusinesses to submit proposals or bid on certain state and local contracts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the Purchasing Division within the Department of Administration. (NRS 232.213) **Section 2** of this bill establishes certain policies of this State relating to small businesses and microbusinesses. **Section 3** of this bill defines "microbusiness" as a business that employs not more than 10 persons.

Section 3: (1) creates the Business Opportunity Outreach Unit within the Purchasing Division; and (2) requires the Administrator of the Purchasing Division to appoint a Director of the Business Opportunity Outreach Unit.

Section 3 also requires the Business Opportunity Outreach Unit to: (1) conduct outreach to minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging small businesses and microbusinesses to inform such businesses of contracting and procurement opportunities; (2) provide training and assistance to minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local



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emerging small businesses and microbusinesses to assist such businesses in obtaining government contracts and participating in the state and local governmental procurement process; (3) develop and implement an online data dashboard to provide information pertaining to the awarding of government contracts and purchase orders; (4) submit an annual report to the Joint Interim Standing Committee on Revenue and the Director of the Legislative Counsel Bureau or, if the Legislature is not in session, to the Legislative Commission, relating to the online data dashboard; (5) establish a database of minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging small businesses and microbusinesses; (6) establish annual goals concerning the awarding of contracts to minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging small businesses and microbusinesses; (7) establish a program to facilitate microbusinesses in joining together to submit a proposal or bid on procurement contracts; (8) coordinate with existing diversity supplier programs implemented by other governmental entities or organizations within the State; (9) consolidate information contained in reports submitted to the Office of Economic Development concerning local emerging small businesses; (10) prepare and submit a report to the Purchasing Division regarding the policies and programs implemented by the Unit; and (11) provide transparency into the state and local governmental procurement process. **Section 3** further requires all state and local governmental agencies to cooperate with the Business Opportunity Outreach Unit.

The Local Government Purchasing Act and the State Purchasing Act govern the purchasing of services, supplies, materials and equipment by local governments and, with certain exceptions, agencies of the Executive Department of the State Government, respectively. (Chapters 332 and 333 of NRS) **Sections 5 and 8** of this bill require local governing bodies and the Administrator of the Purchasing Division to adopt procedures for microbusinesses to: (1) submit proposals for or bid on contracts for goods and services; and (2) join together to submit a proposal or bid or satisfy any bonding or insurance requirements of the local governing or using agencies of the Executive Department.

Sections 6 and 7 of this bill require local governments and using agencies of the Executive Department to cooperate with and submit information to the Business Opportunity Outreach Unit.

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

Section 1. Chapter 232 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *The Legislature declares that it is the policy of this State:*

1. To encourage and create economic opportunities for small businesses and microbusinesses by reducing barriers to contracting and procurement opportunities.

2. To be inclusive of all types of small businesses and microbusinesses in awarding state and local government purchasing contracts.

Sec. 3. *1. The Business Opportunity Outreach Unit is hereby created within the Purchasing Division of the Department.*



2. The Administrator of the Purchasing Division shall appoint a Director of the Business Opportunity Outreach Unit.

3. The Business Opportunity Outreach Unit shall:

(a) Conduct outreach to minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging small businesses and microbusinesses to inform such businesses of both private and public sector contracting and procurement opportunities.

(b) Provide information, educational training and assistance to minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging small businesses and microbusinesses to assist such businesses in obtaining state and local government contracts and participating in the state and local governmental procurement process. The educational training and assistance must include, without limitation, in-person or online training to help such businesses:

(1) Register as suppliers and apply for state and local government purchasing contracts;

(2) Utilize online bidding systems, including, without limitation, the Nevada Government eMarketplace;

(3) Improve marketing strategies to increase procurement opportunities;

(4) Gain an understanding of how microbusinesses can join together to bid on procurement contracts and meet any insurance or bonding requirements; and

(5) Gain an understanding of any insurance or bonding requirements to participate in the government procurement process.

(c) Develop and implement an online data dashboard that provides for each fiscal year:

(1) The procurement thresholds for state and local governmental agencies;

(2) The total dollar amount of all purchases by state and local governmental agencies;

(3) The total dollar amount of all purchases by state and local governmental agencies from minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging small businesses and microbusinesses;

(4) The total dollar amount of all purchases from minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging small businesses and microbusinesses by demographic;

(5) The total dollar amount of all purchases by each state and local governmental agency;



(6) The total dollar amount of all purchases from minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging small businesses and microbusinesses by each state and local governmental agency;

(7) The total number of contracts or purchase orders awarded by state and local governmental agencies; and

(8) The total number of contracts or purchase orders awarded by state and local governmental agencies to minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging small businesses and microbusinesses.

(d) Submit an annual report of the information described in paragraph (c) to the Joint Interim Standing Committee on Revenue and the Director of the Legislative Counsel Bureau for transmittal to the Legislature or, if the Legislature is not in session, to the Legislative Commission.

(e) Establish a centralized database of minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging small businesses and microbusinesses which can be shared with state and local governmental agencies.

(f) Establish annual goals concerning the awarding of contracts to minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging small businesses and microbusinesses. The goals must be based on tax revenue, historical underrepresentation and the access to contracts by minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging businesses and microbusinesses.

(g) Establish a program to facilitate microbusinesses in joining together to submit proposals or bid on procurement contracts. The program must coordinate with all state and local agencies, including, without limitation, the Nevada System of Higher Education, the Department of Transportation, the Office of Economic Development and the Regional Business Development Advisory Council for Clark County, to offer procurement opportunities to microbusinesses that join together to submit proposals or bid on procurement contracts.

(h) Coordinate the activities and goals of the Business Opportunity Outreach Unit with those of existing diversity supplier programs implemented by other governmental entities or organizations within the State, including, without limitation, the Nevada System of Higher Education, the Department of Transportation, the Office of Economic Development and the



Regional Business Development Advisory Council for Clark County.

(i) Consolidate information contained in reports submitted to the Office of Economic Development pursuant to NRS 332.201 and 333.177 concerning local emerging small businesses.

(j) Prepare, in cooperation with the Regional Business Development Advisory Council for Clark County, and submit to the Purchasing Division of the Department, a written report regarding the policies and programs implemented by the Business Opportunity Outreach Unit, including, without limitation, any data or information submitted by state and local governmental agencies concerning minority-owned businesses, women-owned businesses, businesses owned by persons with disabilities, local emerging businesses and microbusinesses.

(k) Provide transparency into the state and local governmental procurement process.

4. All state and local governmental agencies shall cooperate with the Business Opportunity Outreach Unit in carrying out the provisions of this section.

5. As used in this section:

(a) "Local emerging small business" has the meaning ascribed to it in NRS 231.1402.

(b) "Microbusiness" means a business that employs not more than 10 persons.

Sec. 4. Chapter 332 of NRS is hereby amended by adding thereto the provisions set forth as sections 5 and 6 of this act.

Sec. 5. 1. *A governing body shall adopt procedures for microbusinesses to:*

(a) Submit proposals for or bid on contracts for goods and services; and

(b) Join together to:

(1) Submit proposals or bid on procurement contracts; or

(2) Satisfy any bond or insurance requirement to submit a proposal or bid.

2. As used in this section, "microbusiness" means a business that employs not more than 10 persons.

Sec. 6. *All local governments shall cooperate with the Business Opportunity Outreach Unit in carrying out the provisions of section 3 of this act, including, without limitation, submitting information to the Business Opportunity Outreach Unit upon request.*

Sec. 7. Chapter 333 of NRS is hereby amended by adding thereto a new section to read as follows:

All using agencies shall cooperate with the Business Opportunity Outreach Unit in carrying out the provisions of



section 3 of this act, including, without limitation, submitting information to the Business Opportunity Outreach Unit upon request.

Sec. 8. NRS 333.135 is hereby amended to read as follows:

333.135 The Administrator shall adopt regulations establishing procedures for awarding contracts pursuant to this chapter. The regulations must include, without limitation, provisions that set forth requirements relating to:

1. The establishment and membership of committees to evaluate proposals;

2. *The establishment of procedures for microbusinesses to:*

(a) Submit a proposal for or bid on contracts for goods and services; and

(b) Join together to:

(1) Submit proposals or bid on procurement contracts; or

(2) Satisfy any bond or insurance requirement to submit a proposal or bid;

3. Notices that must be given to persons who submit proposals before and after a contract is awarded;

~~13.1~~ 4. The confidentiality of information submitted in proposals and any communication between a person who submits a proposal and the chief of a using agency, the Administrator of the Purchasing Division or a member of a committee to evaluate proposals;

~~14.1~~ 5. The submission of revised proposals; and

~~15.1~~ 6. The awarding of contracts on a contingency basis.

7. *As used in this section, “microbusiness” means a business that employs not more than 10 persons.*

Sec. 9. The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 10. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 11. This act becomes effective on July 1, 2023.

