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FIRST REPRINT

S.B. 325

SENATE BILL NO. 325—SENATORS GOICOECHEA, HARDY, BROWER,
ROBERSON, LIPPARELLI; KIECKHEFER AND SETTELMAYER

MARCH 16, 2015

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to state purchasing.
(BDR 27-1024)

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 state governmental procurement; requiring the connection between the bidder and the State of Nevada to be considered as a factor with respect to certain state purchasing contracts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, the State must purchase any materials, supplies and
2 equipment estimated to cost more than \$50,000 by formal contract from the lowest
3 responsible bidder after advertising for the submission of bids. (NRS 333.300)
4 When evaluating proposals to determine which is in the best interests of the State,
5 several factors are required to be considered and weighed, including: (1) the
6 experience and financial stability of the bidder; (2) whether the proposal complies
7 with the request for proposals; (3) the price of the proposal; and (4) any other factor
8 disclosed in the request for proposals. (NRS 333.335)
9 This bill revises the factors considered when determining whether a proposal is
10 in the best interests of the State to require the consideration of a factor measuring
11 the connection between the bidder and this State. Elements that may be considered
12 to measure the connection between a bidder and this State include, without
13 limitation: (1) the amount of state or local taxes paid to this State by the bidder; (2)
14 the number of offices maintained in this State by the bidder; (3) the number of
15 persons employed by or contracted with the bidder in this State; and (4) the amount
16 of goods and commodities used by the bidder that are produced, manufactured or
17 supplied in this State. This bill also requires that, when determining whether a
18 proposal is in the best interests of the State, this factor must be given a relative
19 weight that is greater than the relative weight given to at least one other factor.



* S B 3 2 5 R 1 *

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

- 1 **Section 1.** NRS 333.335 is hereby amended to read as follows:
2 333.335 1. Each proposal must be evaluated by:
3 (a) The chief of the using agency, or a committee appointed by
4 the chief of the using agency in accordance with the regulations
5 adopted pursuant to NRS 333.135, if the proposal is for a using
6 agency; or
7 (b) The Administrator of the Purchasing Division, or a
8 committee appointed by the Administrator in accordance with the
9 regulations adopted pursuant to NRS 333.135, if the Administrator
10 is responsible for administering the proposal.
11 2. A committee appointed pursuant to subsection 1 must
12 consist of not less than two members. A majority of the members of
13 the committee must be state officers or employees. The committee
14 may include persons who are not state officers or employees and
15 possess expert knowledge or special expertise that the chief of the
16 using agency or the Administrator of the Purchasing Division
17 determines is necessary to evaluate a proposal. The members of the
18 committee are not entitled to compensation for their service on the
19 committee, except that members of the committee who are state
20 officers or employees are entitled to receive their salaries as state
21 officers and employees. No member of the committee may have a
22 financial interest in a proposal. If the contract is being awarded for
23 the Public Employees' Benefits Program, the Executive Officer of
24 the Program may observe the activities of the committee, but may
25 not vote or otherwise participate in the evaluation.
26 3. In making an award, the chief of the using agency, the
27 Administrator of the Purchasing Division or each member of the
28 committee, if a committee is established, shall consider and assign a
29 score for each of the following factors for determining whether the
30 proposal is in the best interests of the State of Nevada:
31 (a) The experience and financial stability of the person
32 submitting the proposal;
33 (b) Whether the proposal complies with the requirements of the
34 request for proposals as prescribed in NRS 333.311;
35 (c) The price of the proposal; ~~and~~
36 (d) *The connection between the person submitting the proposal*
37 *and this State; and*
38 (e) Any other factor disclosed in the request for proposals.
39 4. *To evaluate the connection between the person submitting*
40 *the proposal and this State pursuant to paragraph (d) of*
41 *subsection 3, the chief of the using agency, the Administrator of*
42 *the Purchasing Division or each member of the committee, if a*



1 *committee is established, shall consider criteria which include,*
2 *without limitation:*

3 *(a) The amount of taxes paid to the State or its political*
4 *subdivisions by the person submitting the proposal during the*
5 *immediately preceding 5 years, including, without limitation, the*
6 *amounts paid in property taxes, sales and use taxes imposed*
7 *pursuant to chapters 372, 374 and 377 of NRS, governmental*
8 *services taxes imposed pursuant to chapter 371 of NRS and excise*
9 *taxes imposed upon an employer pursuant to NRS 363B.110;*

10 *(b) The number of buildings in this State which the person*
11 *submitting the proposal owns or leases and substantially occupies*
12 *as a principal place of business of the person submitting the*
13 *proposal;*

14 *(c) The number of persons in this State that the person*
15 *submitting the proposal employs or engages as independent*
16 *contractors for the conduct of the business of the person*
17 *submitting the proposal; and*

18 *(d) The amount of goods or commodities for use in the*
19 *proposal which are produced or manufactured in this State or*
20 *supplied by a dealer who is located in this State.*

21 5. The chief of the using agency, the Administrator of the
22 Purchasing Division or the committee, if a committee is established,
23 shall determine the relative weight of each factor set forth in
24 subsection 3 before a request for proposals is advertised. *The factor*
25 *described in paragraph (d) of subsection 3 must be given a relative*
26 *weight that is greater than the relative weight of at least one other*
27 *factor.* The weight of each factor must not be disclosed before the
28 date proposals are required to be submitted.

29 ~~5.1~~ 6. Except as otherwise provided in this subsection, the
30 chief of the using agency, the Administrator of the Purchasing
31 Division or the committee, if a committee is established, shall award
32 the contract based on the best interests of the State, as determined by
33 the total scores assigned pursuant to subsection 3, and is not
34 required to accept the lowest-priced proposal. If the contract is being
35 awarded for the Public Employees' Benefits Program, the
36 Administrator of the Purchasing Division or the committee, if a
37 committee is established, shall submit recommendations for
38 awarding the contract to the Board for the Public Employees'
39 Benefits Program, which shall award the contract in accordance
40 with NRS 287.04345.

41 ~~6.1~~ 7. Except as otherwise provided in NRS 239.0115, each
42 proposal evaluated pursuant to the provisions of this section is
43 confidential and may not be disclosed until the contract is awarded.

44 **Sec. 2.** (Deleted by amendment.)

45 **Sec. 3.** This act becomes effective:



- 1 1. Upon passage and approval for the purposes of adopting
- 2 regulations and performing any other preparatory administrative
- 3 tasks that are necessary to carry out the provisions of this act; and
- 4 2. On January 1, 2016, for all other purposes.

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