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**NEVADA PUBLIC PURCHASING STUDY COMMISSION**  
**(NRS 332.215)**  
consisting of the  
**Northern Nevada Consortium for Cooperative Purchasing**  
and the  
**Southern Nevada Public Purchasing Professionals Association**

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Welcome to the 2005 Legislative session and congratulations on your appointment to the Assembly Government Affairs Committee. We are pleased to introduce you to the Nevada Public Purchasing Study Commission.

We are a non-profit, unfunded, state-wide group established by the Legislature in 1975 under NRS Chapter 332.215 "...to study practices in governmental purchasing and laws related thereto and ... make recommendations with respect to those laws to the next regular session of the legislature."

The Commission membership consists of approximately 100 public employees, from over 60 state and local municipalities, who work in public purchasing and related fields. A membership list, which provides the names of those who represent each of the member agencies, is attached for your convenience.

As a group, the Commission works for the Legislature, typically the Senate and Assembly Government Affairs Committees. The Commission's role is to advise the Legislature on public purchasing related legislation. Because the annual state and local expenditures on goods and services is so large, the public purchasing process and its associated governing laws are of extreme importance. The Commission meets monthly, via video teleconferencing, and any information or recommendations presented to you are the consensus of the group and are based on a complete and comprehensive analysis.

We look forward to working with you during and after the 2005 legislative session. Please feel free to call us at any time to assist you with any local government purchasing related issues that you or one of your constituents may have.

Sincerely,

Ted J. Olivas, C.P.M., Chairman  
Director of Government & Community Affairs  
City of Las Vegas  
Cell: (702) 429-0926  
tolivas@lasvegasnevada.gov

John L. Balentine, C.P.M., C.P.P., Vice Chairman  
Purchasing and Contracts Administrator  
Washoe County, Nevada  
Tel: (775) 328-2280  
jbalentine@washoecounty.us

Yolanda C. Jones, C.P.M., Secretary  
Purchasing Manager  
Clark County Department of Finance  
Tel: (702) 455-4427  
yolandaj@co.clark.nv.us

Justine Chambers, Member  
Contract Administrator  
Carson City, Nevada  
Tel: (775) 887-2077 (X 1101)  
jchambers@ci.carson-city.nv.us

James E. Keenan, Member  
Purchasing and Contracts Administrator  
Douglas County, Nevada  
Tel: (775) 782-9051  
jkeen@co.douglas.nv.us

1/5/2005

Nevada Public Purchasing Study Commission Members

Adams, Cheryl	Purchasing & Contracts Mgr	Carson City Purchasing
Bacock, Gary	City Manager	City of Fernley
Balentine, John, C.P.M. CPP	Purchasing and Contracts Administrator	Washoe County
Beebe, Tom		White Pine School District
Belanger, Andy		Las Vegas Valley Water District
Bell, James, P.E.	Public Works Director	North Las Vegas
Bochanis, Mari	Project Attorney	Southern Nevada Water Authority
Boyd, Jerry		Clark County Health District
Cabias, Floresto	Ass't Finance Director	Las Vegas CC Library District
Chambers, Justine	Contract Coordinator	Carson City Development Svcs
Coleman, Dawnita, C.P.M., A.P.P.	Accting Tech/Purchasing	Las Vegas CC Library District
Colton, Stan		Henderson District Public Library
Cooke, Kelly	Acting Contracts Manager	Las Vegas Conv/Visitors Authority
Cracraft, Elaine		White Pine County
Duke, Bonnie	Treasurer	City of Fernley
Dyer, Judy	Purchasing Agent	Nye County
Garcia, MeLisa		Overton Power Dist #5
Gibeault, Bob		Clark County Housing Authority
Gifford, Mike, C.P.M. PHM	Purchasing Manager	Las Vegas Housing Authority
Gonzales, Paula, C.P.M.	Contracts Administrator	UNLV Purchasing
Grace, Tammy		Legislative Counsel Bureau
Harvey, Fred		UNR Purchasing
Hegarty, Erin, A.P.P.	Purchasing Analyst	City of Henderson
Henderson, Lucille, C.P.M.	Quality Assurance Admin	City of Las Vegas
Hobaica, Mark	Construction Manager	City of Henderson
Holland, Jack, C.P.M. C.P.P.B.	Director of Purchasing	Community College of So. Nevada
Huddle, John B. C.P.M.	Purchasing Analyst	Clark County
Huff, Mary, C.P.M.	Purchasing Manager	Las Vegas Valley Water District
Humphrey, Joyce	Manager of Purchasing & Materials Mgt	Airport Auth Of Washoe County
Injayan, Tony		State of Nevada Purchasing
James, Fred		Las Vegas CC Library District
Johnson, Paul		White Pine School District
Jones, Yolanda, C.P.M.	Purchasing Manager	Clark County
Kalt, Alan	County Comptroller	Churchill County Administration
Karafa, Gail	Purchasing Analyst	CC Water Reclamation District
Keenan, Jim	Purchasing Manager	Douglas County Purchasing
Kenney, Robert L.		Boulder City
Kester, Rick		Douglas County School District
Korinek, Mark	Supv. Material Services	Carson City School District
Kuckenmeister, M		State of Nevada Purchasing
Lee, David	Admin Purch & Licensing	City of Henderson
Lehman, Mary Lou	Purchasing	Churchill County School District

Lehman, Stan	Maintenance Manager	Churchill County School District
Levie, Jim		White Pine School District
List, Andrew	Executive Director	Nevada Association of Counties
Logan, Mark	Contracts Administrator	Clark County Housing Authority
Maher, Michael	County Manager	Nye County
Malewski, Amy	Purchasing Assistant	Reno Housing Authority
Manner, Jim		Lincoln County School District
Marchell, Penny, C.P.M.	Acting Director, Materials Management	Las Vegas Conv/Visitors Authority
Mayden, Sharrie, C.P.M.	Director of Purchasing	UNLV Purchasing
McKeand, Linda, C.P.M.	Purchasing Supervisor	Washoe County School District
McNulty, Gerry		No. Las Vegas Housing Authority
Meara, Donna	Senior Purchasing Analyst	Clark County Purchasing
Melville, Chris, C.A.E.	Dir Community Develop.	West Wendover
Michel, Jeanne	Management Analyst	City of North Las Vegas
Moran, Ray, C.P.M.	Director of Purchasing	UCCSN - Business center North
Moura, Donna	Auditor-Recorder	Pershing County
Mulcahy, James	Purchasing Administrator	Clark County Purchasing
Nacos, Thomas R., CDT	Contracts Coordinator	Clark County School District
Olivas, Ted, C.P.M.	Gov't & Community Affairs Director	City of Las Vegas
Park, Jim, C.P.M. C.P.O.	Town Manager	Town of Gardnerville
Patton, Ernest		CC McCarran Int'l Airport
		Plan/Construct
		City of Reno
Pedrick, Laurie	Purchasing Manager	Las Vegas Housing Authority
Peschl, Mike	Contracts & Purchasing	RSCVA
Pickens, Amy	Purchasing Agent	Clark County McCarran Int'l Airport
Prather, Chris C.P.M.	Purchasing Analyst	Finance/Purch
		City of Las Vegas
Rainey, Kathy	Purch/Contracts Manager	Airport Auth Of Washoe County
Ramsey, Robin, C.P.M.	Senior Buyer	City of North Las Vegas
Rawlinson, Dwight		Eureka County
Rebaleati, Mike		Incline Village GID Public Works
Rector, Ronnie	Administrative Manager	Truckee-Carson Irrigation District
Renfroe, Ted		Boulder City Civil Engineering
Renshaw, Dick		Washoe Regional Transportation
Rizzo, Elisa	Procurement Specialist	Commission
		City of Sparks
Rothwell, Frank, C.P.M.	Purch/Contracts Manager	Las Vegas Conv/Visitors Authority
Rowley, Craig, C.P.M.	Acting General Manager, Facilities	Lyon County School District
Rundle, Ron		Washoe County School District
Sanderson, Dale		Plant Facilities
		City of North Las Vegas
Schulz, Darren, P.E.	Principal Engineer	Clark County Reclamation District
Scire, Sam	Manager of Engineering	Humboldt County School District
Smith, Charles		Clark County School District
Smith, Fred	Director, Construction Management	Washoe County School District
Stanton, Mark		Plant Facilities

Smith, Greg  
Stratton, Tom  
Sullens, Mike  
Supp, Jolene  
Tollen, Bramby  
Trujillo, Kathy  
Valdez, Karen  
Weaver, Steve  
Welsh, Jenny  
Wesner, K  
Whitaker, Mikie  
Wilkinson, Ann  
Wren, Dora  
Zander, Jeff

Director

Director, Purchasing & Warehousing

Purchasing Analyst

Chief, Planning and Development

Attorney

State of Nevada Purchasing  
West Wendover  
Washoe County Purchasing  
City of Wells  
Clark County School District  
Mineral County School District  
City of Henderson  
Nevada State Parks  
Nevada Association of Counties  
Pershing County  
Incline Village GID  
State Attorney General  
Pershing County  
Elko County School District

**NEVADA PUBLIC PURCHASING STUDY COMMISSION  
(NRS 332.215)**

Consisting of

**Northern Nevada Consortium for Cooperative Purchasing**

And

**Southern Nevada Public Purchasing Professionals Association**

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Bill Number AB 39 (BDR 27-560)

February 15, 2005

**Executive Summary:** relating to purchasing by local governments; providing an optional procedure for a bidder to file a notice of protest regarding certain contracts; authorizing a local government to use on-line bidding as the exclusive means to receive bids in reverse auctions; expanding the criteria that may be used to select the lowest responsive, responsible bidder on certain contracts; expanding the types of contracts which by nature are not adapted to award by competitive bidding; and adding the State of Nevada back into the joinder provision.

**Purpose:** modernize, simplify and standardize public purchasing procedures for supplies and services state-wide to reduce administrative costs and increase efficiency.

**Justification for the bill:** this bill has several changes:

Section 1:

This section adds an optional provision and procedure for a bidder to protest the award of a contract. This provision has been in NRS 333 (State Purchasing) for several years and was added to NRS 338 (Public Works) without objection in the last session. This bill standardizes the procedure for all types of public purchasing. It has proven to be a valuable tool in virtually eliminating frivolous protests by bidders. We respectfully propose a minor amendment to this section to eliminate the additional advertising requirement.

Section 2:

This section clarifies that the governing body or its authorized representative may or may not request bids. This clarifies that the governing body or its authorized representative may direct staff to make the request for bids.

Section 3:

The first change in this section makes the newspaper qualifications for advertising consistent with NRS 338.

The second change in this section adds an additional advertising requirement which we respectfully propose to remove as requested in Section 1 above.

Section 4:

On-line bidding, an element of e-procurement, has been allowed by statute for some time with the provision that it not be the only method allowed for bidding. This is a normally a reasonable restriction because not all bidders have computers and our goal is to maximize bidding, not to restrict the number of bidders. However, when using a specific process within e-procurement known as "reverse auctions," on-line bidding is the only process that allows reverse auctions to work. Reverse auctions call for and allow bidders to bid in "real time" with computers. This is the only way a reverse auction can work. Therefore we are requesting the addition of reverse

R-5

auctions as the only exception to on-line bidding. This bill includes a definition of reverse auctions so that the sole exception can be understood by all who use it.

**Section 5:**

This section clarifies that all "proprietary information" as defined in NRS 332.025 is confidential and shall not be disclosed to give one bidder an unfair advantage over any other bidder.

**Section 6:**

This section expands the list of criteria a local government may use to find bidders responsive and responsible. This enhances the ability of the local government to award a contract to the bidder that meets all of the unique requirements of the bid document.

**Section 7:**

The first change in this section clarifies the authority that local governments can join on federal (GSA) contracts without competitive bidding as well as public contracts of other governments inside and outside the state. We respectfully request that this section be amended to clarify that the State of Nevada has the same authority.

The second change in this section exempts communications design, services, and equipment from the competitive bidding process. This exemption is recommended as a result of the passage of the state homeland security act last session that mandated the compatibility, standardization and integration of communications state-wide. With such requirements, pure competitive bidding for each system is impossible.

**Section 8:**

This section clarifies that any information, proprietary or not, that will give a particular bidder an advantage prior to submitting a bid would result in voiding all bids.

**Conclusion:** That these changes to NRS 332 are administrative in nature, serve to standardize, clarify and simplify the public purchasing of supplies and services and will benefit local governments and their citizens.

**Recommendation:** that this bill be unanimously passed into law.

Ted J. Olivas, C.P.M., Chairman  
Director of Government and Community Affairs  
City of Las Vegas  
Cell: (702) 429-0926  
tolivas@lasvegasnevada.gov

Justine Chambers, Member  
Contract Administrator  
City of Carson City  
Tel: (775) 887-2355  
jchambers@ci.carson-city.nv.us

John L. Balentine, C.P.M., C.P.P., Vice Chairman  
Purchasing and Contracts Administrator  
Washoe County  
Tel: (775) 328-2280  
jbalentine@washoecounty.us

James E. Keenan, Member  
Purchasing and Contracts Administrator  
Douglas County  
Tel: (775) 782-9051  
jkeenan@co.douglas.nv.us

**NEVADA PUBLIC PURCHASING STUDY COMMISSION (NPPSC)**  
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Request for Amendment to AB 39 (BDR 27-560)  
Assembly Government Affairs Committee  
February 16, 2005

1. **Page 2, Section 1, subsection 1, lines 5 - 6**

Delete: "notice to bid that is published pursuant to NRS 332.045"

Replace with: "bid document after the date the bids were opened"

Recommended revised paragraph:

*"1. A person who submits a bid on a contract that is required to be advertised pursuant to paragraph (a) of subsection 1 of NRS 332.039 may, within the time frame specified in the ~~[notice to bid that is published pursuant to NRS 332.045]~~ bid document and after the date the bids were opened, file with the governing body or its authorized representative a notice of protest regarding the awarding of the contract."*

**Page 3, Section 3, subsection 2, lines 40 - 41**

Delete revised paragraph (d) and revert to original language.

Section recommended for deletion: "The period within which a person may file a notice of protest pursuant to section 1 of this act."

Justification for requests: These suggested revisions are based on similar language found in NRS 338.142 "Public Works" and NRS 333.370 "State Purchasing" where advertising of the protest time period is not required. A protest cannot be made on the award of a project until after the bids are opened and a recommendation is made for award. We suggest that including the protest time frame in the advertisement has no value to the business community who may be interested in the solicitation. The notice requirements currently in the statute are sufficient.

2. **Page 6, Section 7, lines 42-43 and page 7, lines 1-5, paragraph (m)**

Delete the changes to these sections and return NRS 332.115.1(m) to its original form.

**Amend NRS 332.195 as follows:**

**NRS 332.195 Joinder or mutual use of contracts by local governments.**

1. A governing body or its authorized representative **and the State of Nevada** may join or use the contracts of other local governments located within or outside this state with the authorization of the contracting vendor. The originally contracting local government is not liable for the obligations of the local government which joins or uses the contract.

R-7

2. A governing body or its authorized representative may join or use the contracts of the State of Nevada or another state with the authorization of the contracting vendor. The State of Nevada or other state is not liable for the obligations of the local government which joins or uses the contract.

Justification for request: These changes clarify that the State of Nevada is allowed to use the contracts of other local governments.

Ted J. Olivas, C.P.M., Chairman  
Director of Government and Community Affairs  
City of Las Vegas  
Cell: (702) 429-0926  
tolivas@lasvegasnevada.gov

Justine Chambers, Member  
Contract Administrator  
City of Carson City  
Tel: (775) 887-2355  
jchambers@ci.carson-city.nv.us

John L. Balentine, C.P.M., C.P.P., Vice Chairman  
Purchasing and Contracts Administrator  
Washoe County  
Tel: (775) 328-2280  
jbalentine@washoecounty.us

James E. Keenan, Member  
Purchasing and Contracts Administrator  
Douglas County  
Tel: (775) 782-9051  
jkeen@co.douglas.nv.us