

SENATE BILL NO. 26—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE STATE PUBLIC WORKS DIVISION OF THE DEPARTMENT OF ADMINISTRATION)

PREFILED NOVEMBER 16, 2022

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to public works. (BDR 28-211)

FISCAL NOTE: Effect on Local Government: No. Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to public works; revising the authority of the Administrator of the State Public Works Division of the Department of Administration to approve change orders related to the construction and repair of certain building projects; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law provides, with certain exceptions, that the Administrator of the State Public Works Division of the Department of Administration may authorize change orders related to the construction and repair of certain building projects: (1) in any amount where the change represents a reduction in the total awarded contract price; (2) not to exceed in the aggregate 15 percent of the total awarded contract price, where the change represents an increase in that price; (3) in any amount, where the total awarded contract price is less than \$50,000 and the change represents an increase not exceeding the amount of the total awarded contract price; and (4) in any amount, where additional money was authorized or appropriated by the Legislature and issuing a new contract would not be in the best interests of the State. (NRS 341.145) This bill provides instead, with certain exceptions, that the Administrator may authorize such change orders: (1) in any amount, where the change represents a reduction in the total awarded contract price; (2) not to exceed in the aggregate 15 percent of the total awarded contract price, where the total awarded contract price is more than \$1,000,000 and the change represents an increase in that price; (3) not to exceed in the aggregate 20 percent of the total awarded contract price, where the total awarded contract price is at least \$100,000 but not more than \$1,000,000 and the change represents an increase in that price; (4) in any amount, where the total awarded contract price is less than \$100,000 and



20 the change represents an increase not exceeding the amount of the total awarded
21 contract price; and (5) in any amount, where additional money was authorized or
22 appropriated by the Legislature and issuing a new contract would not be in the best
23 interests of the State.

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

1 **Section 1.** NRS 341.145 is hereby amended to read as follows:

2 341.145 1. The Administrator:

3 (a) Shall determine whether any rebates are available from a
4 public utility for installing devices in any state building which are
5 designed to decrease the use of energy in the building. If such a
6 rebate is available, the Administrator shall apply for the rebate.

7 (b) Shall solicit bids for and let all contracts for new
8 construction or major repairs.

9 (c) May negotiate with the lowest responsible and responsive
10 bidder on any contract to obtain a revised bid if:

11 (1) The bid is less than the appropriation made by the
12 Legislature for that building project; and

13 (2) The bid does not exceed the relevant budget item for that
14 building project as established by the Administrator by more than 10
15 percent.

16 (d) May reject any or all bids.

17 (e) After the contract is let, shall supervise and inspect
18 construction and major repairs. The cost of supervision and
19 inspection must be financed from the capital construction program
20 approved by the Legislature.

21 (f) Shall obtain prior approval from the Interim Finance
22 Committee before authorizing any change in the scope of the design
23 or construction of a project as that project was authorized by the
24 Legislature, if the change increases or decreases the total square
25 footage or cost of the project by 10 percent or more.

26 (g) Except for changes that require prior approval pursuant to
27 paragraph (f), may authorize change orders, before or during
28 construction:

29 (1) In any amount, where the change represents a reduction
30 in the total awarded contract price.

31 (2) ~~Except as otherwise provided in subparagraph (3), not~~
32 *Not* to exceed in the aggregate 15 percent of the total awarded
33 contract price, where the *total awarded contract price is more than*
34 *\$1,000,000 and the* change represents an increase in that price.

35 (3) *Not to exceed in the aggregate 20 percent of the total*
36 *awarded contract price, where the total awarded contract price is*



1 *at least \$100,000 but not more than \$1,000,000 and the change*
2 *represents an increase in that price.*

3 (4) In any amount, where the total awarded contract price is
4 less than ~~[\$50,000]~~ *\$100,000* and the change represents an increase
5 not exceeding the amount of the total awarded contract price.

6 ~~[(4)]~~ (5) In any amount, where additional money was
7 authorized or appropriated by the Legislature and issuing a new
8 contract would not be in the best interests of the State.

9 (h) Shall specify in any contract with a design professional the
10 period within which the design professional must prepare and
11 submit to the Administrator a change order that has been authorized
12 by the design professional. As used in this paragraph, "design
13 professional" means a person with a professional license or
14 certificate issued pursuant to chapter 623, 623A or 625 of NRS.

15 (i) Has final authority to accept each building or structure, or
16 any portion thereof, on property of the State or held in trust for any
17 division of the State Government as completed or to require
18 necessary alterations to conform to the contract, and to file the
19 notice of completion for the building or structure.

20 (j) Shall obtain prior approval from the Legislature or the
21 Interim Finance Committee, if the Legislature is not in session,
22 before cancelling a project authorized by the Legislature or delaying
23 the commencement or completion of such a project beyond the
24 period for which money for the project was authorized.

25 2. The Deputy Administrator of the Public Works -
26 Compliance and Code Enforcement Section, when acting as
27 building official pursuant to subsection 9 of NRS 341.100, has the
28 final authority in:

29 (a) Requiring necessary alterations to conform to any building
30 codes adopted by the Board; and

31 (b) Issuing a certificate of occupancy for a building or structure.

32 3. In acting upon a proposed change in the scope of the design
33 or construction of a project pursuant to paragraph (f) of subsection 1
34 or a proposed cancellation or delay of a project pursuant to
35 paragraph (j) of subsection 1, the Interim Finance Committee shall
36 consider, among other things:

37 (a) The reason provided by the Administrator for the proposed
38 change in the scope of the design or construction or the cancellation
39 or delay of the project;

40 (b) The current need for the project; and

41 (c) The intent of the Legislature in originally approving the
42 project.

43 **Sec. 2.** This act becomes effective on July 1, 2023.

