

**PROPOSED REGULATION OF THE
CHIEF OF THE PURCHASING DIVISION OF THE
DEPARTMENT OF ADMINISTRATION**

LCB File No. R179-97

December 3, 1997

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

AUTHORITY: §§ 2-7, NRS 333.130, 333.150, 333.155 and 333.160; § 8, NRS 233B.120 and 333.130.

Section 1. Chapter 333 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this regulation.

Sec. 2. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3, 4 and 5 of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Chief” means the chief of the division.*

Sec. 4. *“Division” means the purchasing division of the department of administration.*

Sec. 5. *“Using agency” has the meaning ascribed to it in NRS 333.020.*

Sec. 6. *A using agency may acquire an item of equipment through the division by means of:*

- 1. A direct purchase;*
- 2. A rental agreement;*
- 3. A lease; or*
- 4. A lease with an option to purchase.*

Sec. 7. 1. Before a using agency may acquire through the division an item of equipment that is needed by the using agency for a fixed period and for which the cost is not included in the executive budget, the using agency must obtain from the division a determination of which method of acquiring the item of equipment is the most cost-effective and in the best interest of this state.

2. To obtain a determination of which method of acquiring an item of equipment is the most cost-effective and in the best interest of this state, the using agency must submit the following information to the division:

(a) The estimated period for which the item of equipment is needed by the using agency.

(b) The estimated cost of purchasing the item of equipment, including, without limitation:

(1) The price per unit;

(2) The associated cost of administration;

(3) The cost of transportation;

(4) The cost of installation;

(5) The cost of maintenance;

(6) The estimated life of the item of equipment;

(7) The salvage value of the item of equipment at the expiration of its estimated life; and

(8) Any other information that may materially affect the cost of purchasing the item of equipment.

(c) The estimated cost of renting or leasing the item of equipment, including, without limitation:

(1) The amount of the required initial payment;

- (2) The amount of each required monthly payment;*
- (3) The associated cost of administration;*
- (4) The cost of transportation;*
- (5) The cost of installation;*
- (6) The cost of maintenance;*
- (7) The cost of returning the item of equipment;*
- (8) The cost of wear and tear caused to the item of equipment;*
- (9) The estimated resale value of the item of equipment at the expiration of the term of the rental agreement or lease; and*
- (10) Any other information that may materially affect the cost of renting or leasing the item of equipment.*

3. After considering the information provided by the using agency pursuant to subsection 2, the division will make a determination of which method of acquiring an item of equipment is most cost-effective and in the best interest of this state and will also address the option of acquiring an item of equipment through the division by means of a lease with an option to purchase if the using agency requests the division to do so and the using agency submits to the division:

- (a) The information required in paragraphs (b) and (c) of subsection 2 as that information applies to a lease with an option to purchase;*
- (b) The actual amount of each payment attributable to the purchase of the item of equipment;*
- (c) The cost of financing the lease with an option to purchase; and*

(d) Any other information that may materially affect the acquisition of the item of equipment by means of a lease with an option to purchase.

Sec. 8. *1. A person may petition the chief to issue a declaratory order or an advisory opinion if the person has a direct or tangible interest in the applicability of a statutory provision, regulation of the chief or decision of the chief or division.*

2. A petition must be:

(a) Submitted to the chief in writing; and

(b) Signed by the petitioner.

3. If the chief receives a petition filed pursuant to this section, he will issue a declaratory order or an advisory opinion not more than 30 days after receiving the petition. A copy of the order or opinion must be mailed to the petitioner.