

ASSEMBLY BILL NO. 15—COMMITTEE
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE DEPARTMENT OF TRANSPORTATION)

PREFILED DECEMBER 19, 2012

Referred to Committee on Government Affairs

SUMMARY—Removes the prospective expiration of the authority of the Department of Transportation to use the construction manager at risk method for the construction, reconstruction, improvement and maintenance of highways. (BDR S-365)

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

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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 transportation; removing the prospective expiration of the authority of the Department of Transportation to use the construction manager at risk method for the construction, reconstruction, improvement and maintenance of highways; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, the Department of Transportation is authorized to
2 construct, reconstruct, improve and maintain highways by a variety of methods,
3 including competitive bidding and the use of a design-build team. (NRS 408.313-
4 408.3887) In addition, until July 1, 2013, the Department is authorized to use the
5 construction manager at risk method. (NRS 338.1373, 338.169-338.16995; section
6 8 of chapter 529, Statutes of Nevada 2011, p. 3685) Under the construction
7 manager at risk method for constructing a public work, a public body may enter
8 into a contract for a negotiated price with a construction manager at risk to provide
9 preconstruction services for the public work that include, without limitation, design
10 support, construction estimating, value and system analysis and scheduling. After
11 the public body has obtained the final design for the public work, the public body
12 and the construction manager at risk are required to attempt to negotiate a
13 contract for the construction manager at risk to construct the public work. If the
14 public body and the construction manager at risk enter into such a contract,
15 the contract must be for: (1) a guaranteed maximum price including the cost of the
16 work plus a fee; (2) a fixed price; or (3) a fixed price plus reimbursement for



17 overhead and other costs and expenses related to the construction of the public
18 work. (NRS 338.169-338.16995) This bill eliminates the expiration of the
19 Department's authority to use the construction manager at risk method for
20 constructing, reconstructing, improving and maintaining highways on and after
21 July 1, 2013, thereby allowing the Department to continue using the construction
22 manager at risk method on and after that date.

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

1 **Section 1.** Section 38 of chapter 529, Statutes of Nevada 2011,
2 at page 3709, is hereby amended to read as follows:

3 Sec. 38. 1. This section and sections 1, 3 to 6,
4 inclusive, 10 to 15, inclusive, 18 to 25, inclusive, 27, 29, 34,
5 35 and 37 of this act become effective:

6 (a) Upon passage and approval for the purposes of
7 adopting regulations and performing any other preparatory
8 administrative tasks that are necessary to carry out the
9 provisions of those sections; and

10 (b) On July 1, 2011, for all other purposes.

11 2. Sections 2, 7, 16, 26, 28, 30 to 33, inclusive, and 36 of
12 this act become effective:

13 (a) Upon passage and approval for the purpose of
14 adopting regulations and performing any other preparatory
15 administrative tasks that are necessary to carry out the
16 provisions of those sections; and

17 (b) On October 1, 2011, for all other purposes.

18 ~~3. Section 8 of this act becomes effective on July 1,~~
19 ~~2013.~~

20 **Sec. 2.** Section 8 of chapter 529, Statutes of Nevada 2011, at
21 page 3685, is hereby repealed.

22 **Sec. 3.** This act becomes effective upon passage and approval.

TEXT OF REPEALED SECTION

Section 8 of chapter 529, Statutes of Nevada 2011:

Sec. 8. NRS 338.1373 is hereby amended to read as follows:

338.1373 1. A local government or its authorized representative shall award a contract for a public work pursuant to the provisions of:

(a) NRS 338.1377 to 338.139, inclusive;

(b) NRS 338.143 to 338.148, inclusive;



(c) NRS 338.169 to 338.16985, inclusive, and sections 3, 4 and 5 of this act; or

(d) NRS 338.1711 to 338.1727, inclusive, and section 2 of this act.

2. The provisions of NRS 338.1375 to 338.1382, inclusive, 338.1386, 338.13862, 338.13864, 338.139, 338.142, ***338.169 to 338.16985, inclusive, and sections 3, 4 and 5 of this act*** and 338.1711 to 338.1727, inclusive, do not apply with respect to contracts for the construction, reconstruction, improvement and maintenance of highways that are awarded by the Department of Transportation pursuant to NRS 408.313 to 408.433, inclusive.

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