

ASSEMBLY ECONOMIC DEVELOPMENT & TOURISM  
COMMITTEE MINUTES

Tuesday, March 1, 1977 - 2:50 p.m.

MEMBERS PRESENT:                   Chairman Bennett     Mrs. Brookman;  
                                  Mr. Hickey;           Mr. Demers;  
                                  Mr. Polish;           Mr. Vergiels

MEMBERS ABSENT:                   Mr. Howard

GUESTS:                           June Peterson, Carson City Chamber of Commerce  
                                  Leona Wood, Carson City Chamber of Commerce;  
                                  Bob Alcar, Kennecott;  
                                  Howard Winn,         "  
                                  Ray Aiazzi, Yerington  
                                  Tom Grady, Mason Valley Chamber of Commerce;  
                                  John Sanderson,     "     "     "     "  
                                  John Bucham, Humboldt Chamber of Commerce;  
                                  Noel Willis,         "     "     "     ", Pres.  
                                  Gilbert Flores, Carson City Chamber;  
                                  Lavelle Gaines  
                                  Assemblyman Chaney  
                                  Assemblyman Serpa  
                                  Darryl Monohan, Dept. Econ. Development  
                                  Fred Davis, Dir. Econ. Dev. - Reno;  
  Nev. C of C Association

Chairman Bennett called the meeting to order and asked for remarks from Mr. John Bucham of the Humboldt County Chamber of Commerce. Mr. Bucham clarified the minutes, stating that the small rural areas were not asking for a consulting firm to be hired to determine the needs of travelers.

He stated that through the efforts of himself and others in Humboldt County, packages had been distributed to the small communities; they found out who the customers for these packages were; and visited rural communities to ascertain their needs for increased tourism. He said there must be some way to entice the large pass-through traffic travelling through rural Nevada and a second appropriation of \$200,000 from the State would be of beneficial use for this purpose. He said small communities cannot put together package deals on their own; that it's beyond their capacities, but there is great potential in the small communities.

Chairman Bennett stated that a bill is presently being drawn for the \$200,000 appropriation. Mr. Bucham stated that if the funds are made available, "we will have the integrity to see that the program is carried out satisfactorily."

Mr. Willis, President of the Humboldt Chamber of Commerce, re-told efforts made by himself and Mr. Bucham to sell the package deals to the Winnemucca community to help increase business in the off season. He said that Winnemucca was a leader in putting the fun package together and that it helped adjoining communities. He continued by saying that "this program has opened the gate and

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we are anxious to have it continued".

Mr. Tom Grady of the Mason Valley Chamber of Commerce, stated that his area is not on the beaten path for tourists travelling through Nevada; that if they happen to end up in Mason Valley it's because they got lost but he felt that the Department of Economic Development has been of tremendous help to them with their Fair and Rodeo program in advertising the program. He said that the Fair & Rodeo program is their one big chance to bring in tourists once a year. He felt that people in Nevada are beginning to listen to the jingles sponsored by the Department in advertising various programs around the state and that it would be a shame to just drop the program. He said they could use some help from the Department to set up one-day package tours to Mason Valley.

Mrs. Leona Wood of the Carson City Chamber of Commerce, told the Committee of their plans for a "hub tour" and the possibility of calling on the State for funds to help promote it. She said that the State has been extremely helpful whenever a request has been made to them. She also spoke of a calendar of events which they pass out and is one of the best things they have going. Tentative plans for the "hub tour" call for using Carson City as a starting and ending point with suggestions for visits to outlying areas during the day.

Chairman Bennett commended Fred Davis on the fine job he is doing as Director of Economic Development in Reno and director of the Nevada Chamber of Commerce Association. Mr. Davis stated that one of the things the State Association has tried to do is to work with all the counties throughout the state to try to pinpoint the needs the State Department of Economic Development is looking for. He said the needs of one county are not necessarily the needs of others, but by working with all of them, sometimes they find that the same needs apply to more than one county.

Mr. Davis continued by saying that even though Las Vegas and Reno chambers of commerce have funding from their own areas, they are happy to share their ideas with the rest of the state. Some of their ideas can possibly be adapted to rural communities. He commended Mr. Bucham for all the work he has done over the years.

Mr. Monohan stated that this Committee is also looking at increasing light manufacturing in Nevada. He said that tourism in rural Nevada is very new. He has received inquiries from bus companies regarding rural Nevada tours. "We are very far behind in promoting what we have", he said, "but the State can put programs together once these things are identified."

Chairman Bennett stated that if the funds are made available, we can get much more mileage from them than we did from the last appropriation. "Now that we have the support of the rural areas, we can start doing something with it," he said.

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Mr. Willis of Humboldt County stated that they approached travel agents with the package tours which were very enthusiastically received. He said that it gave them something to sell. The travel agents were offered a 15% commission on each package which, of course, was a good incentive. He continued by saying that TV advertising by the State was a great help a year ago and it increased his motel business by 5%. Since funds were depleted and TV advertising was discontinued, he has noticed the drop in business.

Chairman Bennett led a discussion on the merits of a proposed act to give small businesses an opportunity to obtain State business through a 10% set-aside by the State for services and goods purchased by the State. This would allow not only small businesses, per se, but socially or economically disadvantaged persons an opportunity to acquire some of this business. John Sanderson of Mason Valley gave examples of the advantages of dealing with small businessmen.

Assemblyman Chaney stated that the Federal government presently has set-asides for minority-owned businesses such as building contractors and that it is not now done on a State level but possibly could be done in Nevada.

Mr. Hickey asked Mr. Chaney if he knew what percentage of small businesses were socially and economically disadvantaged. Mr. Chaney replied that he did not have that information. Mr. Hickey suggested establishing set-asides based on a percentage of the population. Mr. Bennett said that Alabama has a set-aside similar to that proposed in the legislation proposed before the Committee. Mr. Chaney pointed out that this is not intended to increase the numbers of people going into small businesses, but is to apply to those already in business.

Mr. Willis felt that this type of legislation would encourage economic development in small communities. Mr. Chaney felt there was no problem as to the amount of set-aside. Mr. Sanderson felt this would add to this Committee's job of not only increasing tourism in small communities, but also encouraging economic development in those areas.

Mr. Hickey, as Chairman of the Assembly Agriculture Committee, invited the Committee to accompany the Agriculture Committee on a tour of the rural areas of northern Nevada. The tentative schedule is to leave Carson City on March 25 and return March 27. They would cover 926 miles and the approximate cost per person would be \$40.00. Mr. Vergiels asked to be reminded of the tour at a later date and felt that problems other than agricultural problems could be addressed. Mr. Bucham offered to set up an itinerary when the tour reaches the Winnemucca area. Mr. Grady of Mason Valley asked

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that the Committee advise him when definite plans are formulated.

Mr. Vergiels moved that the Committee introduce the proposed legislation regarding small business set-asides. Mr. Hickey seconded the motion. The motion was unanimously passed by the Committee. (The proposed legislation is attached as "No. 1".)

Chairman Bennett adjourned the meeting at 3:30 p.m.

Respectfully submitted,

A.B. 674\*

PHYLLIS BERKSON, Secretary

Note: Also attached to these minutes are letters from Ken O'Connell, Executive Vice President of the Greater Las Vegas Chamber of Commerce; and Gary Johnson, Executive Director of the Henderson Chamber of Commerce. (Exhibits "No. 2" and "No. 3".)

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SUMMARY -- Amends the State Purchasing Act to assist small businesses.

AN ACT relating to state purchasing; to amend chapter 333 of NRS known and cited as the State Purchasing Act; to require the chief of the purchasing division of the department of general services to set aside certain state procurement from normal bidding procedures for first offering to small businesses; to require set-aside and assistance to small businesses; to require publicizing set-asides and assistance to small businesses; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA,  
REPRESENTED IN SENATE AND ASSEMBLY,

DO ENACT AS FOLLOWS:

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

Sec. 2. As used in sections 2 to 6, inclusive, of this act, unless the context otherwise requires:

1. "Small business" means a business entity organized for profit, including an individual, partnership, corporation, joint venture, association or cooperative, which has its principal place of business in Nevada and which is not dominant in its field of operation or an affiliate or subsidiary of a business dominant in its field of operation.

2. "Dominant in its field of operation" means exercising a controlling or major influence in a business activity in which a number of businesses are engaged. In determining if a business

is dominant, the following criteria, among others, shall be considered: number of employees; volume of business; financial resources; competitive status or position; ownership or control of materials, processes, patents, license agreements and facilities; sales territory; and nature of business activity. The following businesses shall be deemed dominant in their field of operation:

(a) Manufacturing businesses which employ more than 100 persons and have in the preceding three fiscal years exceeded a total of \$15,000,000 in gross receipts.

(b) General construction businesses which in the preceding three fiscal years exceeded a total of \$6,000,000 in gross receipts.

(c) Specialty construction businesses which in the preceding three fiscal years exceeded a total of \$3,000,000 in gross receipts.

(d) Nonmanufacturing businesses which employ more than 25 persons and have in the preceding three fiscal years exceeded a total of \$3,000,000 in gross receipts.

3. "Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in that field of operation, or by partners, officers, directors, majority shareholders, or their equivalent of a business dominant in that field of operation.

4. "Socially or economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic disadvantage. This disadvantage may arise from cultural, social or economic circumstances or background, physical location if the person resides or is employed in an area declared as a labor surplus area by the United States department of commerce, or other similar cause.

Sec. 3.

1. The chief shall for each fiscal year designate and set aside for awarding to small businesses approximately ten percent of the value of anticipated total state procurement of goods and services including construction. The chief shall divide the procurement so designated into current contract award units of economically feasible production runs in order to facilitate offers or bids from small businesses. In making his annual designation of set-aside procurements the chief shall attempt to vary the included procurements so that a variety of goods and services produced by different small businesses shall be set aside each year. The failure of the chief to set aside particular procurements shall not be deemed to prohibit or discourage small business from seeking the procurement award through the normal solicitation and bidding processes.

2. The chief may elect to use either a negotiated price or bid contract procedure in the awarding of a procurement contract under this set-aside program established in this act. The amount of an award shall not exceed by more than five percent of the chief's estimated price for the goods or services, if they were to be purchased on the open market and not under this set-aside program. Surety bonds guaranteed by the federal small business administration shall be acceptable security for a construction award under this section.

3. Before announcing a set-aside award, the chief shall evaluate whether the small business scheduled to receive the award is able to perform the set-aside contract. This determination shall include consideration of production and financial capacity and technical competence.

4. At least thirty percent of the value of the procurements designated for set-aside awards shall be awarded, if possible, to businesses owned and operated by socially or economically disadvantaged persons. In the event small businesses owned or operated by socially or economically disadvantaged persons are unable to perform at least thirty percent of the set-aside awards, then the chief shall award the balance of the set-aside contracts to other small businesses.

5. All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters shall apply as consistent to procurements set aside for small businesses.



Sec. 4. The chief shall publicize the provisions of the set-aside program, attempt to locate small businesses able to perform set-aside procurement awards and encourage participation. When the chief determines that a small business is unable to perform under a set-aside contract, he shall so inform the director of the department of general services of the inability to perform a set-aside award. In assisting the small business, the director of the department of general services in cooperation with the chief shall use any management or financial assistance programs as may be available by or through the department of economic development, other state or governmental agencies, or private sources.

Sec. 5. The chief shall promulgate by rule standards and procedures for certifying that small businesses and small businesses owned and operated by socially or economically disadvantaged persons are eligible to participate under the requirements of this act. The procedure for determination of eligibility shall include self-certification by a business, provided that the chief retains the ability to verify a self-certification. The chief shall promulgate other rules as may be necessary to carry out the duties set forth in this act.

Sec. 6

1. The chief shall submit an annual report to the governor and the legislature with a copy to the director of the department of economic development indicating the progress being made toward

the objectives and goals of this act during the preceding fiscal year. This report shall include the following information:

(a) The total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurements this figure reflects;

(b) The number of small businesses identified by and responding to the set-aside program, the total dollar value, and number of set-aside contracts actually awarded to small business with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts;

(c) The total dollar value and number of set-aside contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the percentages of the total state procurements the figures of total dollar value and the number of set-asides reflect;

(d) The number of contracts which are designated and set-aside which were not awarded to a small business, the estimated dollar value of these awards, the lowest offer of bid on each of these awards made by the small business and the price at which these contracts were awarded pursuant to normal procurement pro-

cedures.

2. The director of the department of economic development shall submit an annual report to the governor and legislature.

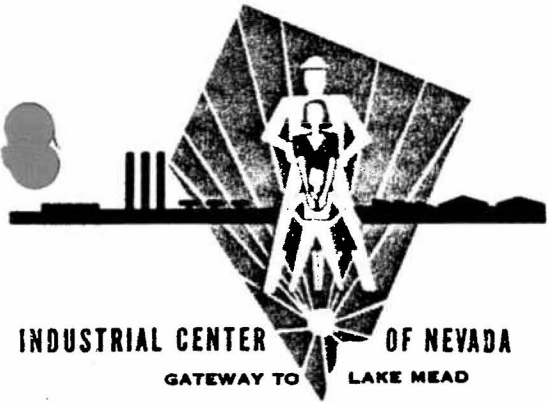
This report shall include the following information:

(a) The efforts undertaken to publicize the provisions of the set-aside program during the preceding fiscal year;

(b) The efforts undertaken to identify small businesses including those owned and operated by socially or economically disadvantaged persons, and the efforts undertaken to encourage participation in the set-aside programs;

(c) The efforts undertaken by the director to remedy the inability of small businesses to perform on potential set-aside awards; and

(d) The director's recommendations for strengthening the set-aside program and delivery of services to small businesses.



# HENDERSON NEVADA CHAMBER OF COMMERCE

152 Water Street

89015

565-8951

INDUSTRIAL CENTER OF NEVADA

GATEWAY TO LAKE MEAD

February 23, 1977

Assemblyman Marion Bennett  
 Nevada State Legislature  
 Carson City, Nevada 89701

Dear Assemblyman Bennett:

The Henderson Chamber of Commerce has as its number one priority to sell Henderson. We have strived to change the image of Henderson from a dirty little industrial town near Las Vegas, to a clean industrial city in Southern Nevada. It's not an easy chore but we are geared to the challenge.

Our efforts are two fold. First to sell Henderson to its self by community programs such as Henderson Industrial Days in April each year, Henderson Expo in October each year, Henderson Childrens Christmas Parade in December, Boss For a Day in February which involves the Distributive Education Students at Basic High School with the Business Community.

Second, selling Henderson to the rest of the State and Country through publications such as those enclosed.

The Henderson Chamber of Commerce has contracted with Advertising West to conduct a radio advertising campaign on Henderson for the month of March. The schedule is designed to hit the 18 to 35 demographic range using KLUC, KFMS, and KDWN which cater to this age group.

I think that the newly formed Tourism and Economic Development Committee could work to assist Henderson and other communities in these areas.

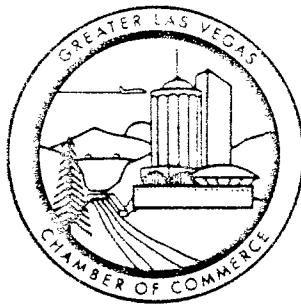
Sincerely,

HENDERSON CHAMBER OF COMMERCE

*Gary Johnson*  
 Gary Johnson  
 Executive Director

GJ:kd  
 enclosure

cc: Fred Davis, Nevada Chamber of Commerce Association



KEN O'CONNELL  
Executive Vice President

February 23, 1977

State Assemblyman Marion Bennett  
Legislative Building  
401 South Carson Street  
Carson City, Nevada 89701

Dear Marion:

As per our telephone conversation Wednesday, we hope to see you March 1st regarding the hearing of the newly formed Tourism and Economic Development Committee of which you are chairman.

In the event that it is impossible for us to be at the meeting, we want you to know the position of the Greater Las Vegas Chamber of Commerce.

We do not seek any funds from the State for any operation within the Greater Las Vegas Chamber of Commerce. We do, however, believe that the community level Chambers of Commerce within the State need some sort of assistance. In fact, one of the biggest costs in operating a Chamber is postage. Perhaps there could be some way that the community level Chambers could receive some type of financial subsidy from the State to help defray their cost of postage.

One of the major responsibilities of a Chamber is to answer its mail and many times letters received by the Chamber are inquiries concerning a business locating in that community, persons wanting to move to that community, and senior citizens who might want to retire there, etc.

For the economic well-being of that community, the Chamber should be able to answer all mail, which includes sending brochures, maps, fact sheets and other information to attract new business, investors, and self-supporting retirees. In sending such material, quite a large postage cost is involved by the Chamber. If a portion of that postage cost could be reimbursed by the State Department of Economic Development, such community level Chambers could probably do a more comprehensive job.

Perhaps these comments will be of assistance to your committee in its hearings on March 1st in the Nevada State Legislature.

Cordially,

Ken O'Connell  
Executive Vice President  
KO:bh