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Committee in Session at 10:02 am on Wednesday, January 31, 1979.
Senator Keith Ashworth in the Chair.

PRESENT: Chairman Keith Ashworth
Vice-Chairman Joe Neal
Senator Rick Blakemore
Senator Clifton Young
Senator Jim Kosinski

ABSENT: Senator Wilbur Faiss

GUESTS: Senator Carl Dodge
Mr. Tod Carlini, Superintendent, Lyon County
School District
Mr. Dick Wright, Washoe County School District
Mr. William Hancock, Nevada Public Works Board
Mr. Raymond Hellmann, Architect, Nevada Society of
Architects
Mr. John Madole, Association of General Contractors
Mr. Vernon Rowley, Carson City School District

Chairman Ashworth opened the meeting with the hearing on S.B. 20.

Senator Dodge testified in support of the bill stating Lyon County public officials requested he introduce it because of substantial growth problems they are encountering. The concept of the bill is that school facilities would go out to bid on essentially the same requirements. The contractor would select his own architect and would bid one figure which would include the construction plus the architecture and engineering costs. The bids, including the plans, would be submitted to the Public Works Board for compliance with building codes, safety requirements, structural soundness and so forth. He stated he supports the concept because a contractor must construct a building that will comply with codes as well as being economical in order to be low-bidder. He stated that is a strong financial incentive.

Mr. Tod Carlini spoke in support of the bill based on growth problems in Lyon County and the loss of a bond election to build facilities for the school district. He stated it was a new concept in school construction and would be a substantial cost savings in addition to saving time.

Senator Blakemore asked what the saving per square foot would be under the bill. Mr. Carlini said they were unsure at this time.

Senator Young said he had a problem with the language in Section 1., Line 6: "The requirements must be sufficiently definite so that competing bids may be fairly compared." Senator Young said he assumed that the state would be asked for general requirements with the bids being submitted by the contractors with their own architects. He questioned if the school districts would be put at the mercy of the architects who are on the side of the contractors. Mr. Carlini said that would be something the school districts would have to examine carefully.

However, Mr. Carlini felt that even now, they are at the mercy of the contractors. Senator Young said that at least there are competitive bids and Senator Dodge said this bill would provide for competitive plans which would be approved by the Public Works Board.

Senator Dodge stated he did not have the concept of an in-house architect. He felt the plans that are submitted by the contractor need to be stamped by registered, licensed architects.

Senator Young said he saw another area of problem with subsection 3.: "If the state public works board finds that, as a condition precedent to approval, the plans must be altered in such a way as to increase materially the cost of erecting the building, the bidder may but need not increase the amount of his bid." Senator Young questioned that a bidder may want to increase his bid more than people felt he should and how that problem would be resolved. He stated the bill has merit but that areas may be potentially open to litigation.

Senator Young asked if the group that would be bypassed would be the school district's own architect. Mr. Carlini said yes but in the case of the smaller school districts, they have to employ them as the need arises.

Senator Kosinski asked in what way, specifically, this would be a better procedure. Senator Dodge said the saving would be with bringing in the practical experience of the builder and the economy of the design.

Senator Neal questioned the new section to be added to Chapter 393. It was his contention that the school districts would not have to go to bid and if the trustees so decide, they could simply hire a contractor. Senator Dodge said that was not his idea and that the competitive bidding system should be preserved. Senator Neal said that the word "may" is optional language and is used extensively throughout the bill. Senator Dodge felt that competitive bidding should be mandated.

Mr. Dick Wright expressed concern regarding the word "may" on Line 3. He interpreted this to be permissive procedure that a school district should, but not necessarily, follow and wanted to be certain it would be a workable procedure in the event the Washoe County School District would be using it in the future. They have found the architect to be a strong advocate on the part of the school district and in instances where they have gone to court with the contractor, the architect has been a valuable ally. In the language of the bill, this would not appear to be the case. Also, they have found the architects have worked with the teachers and the needs of the school and want to maintain that type of input. Under this bill, there seems to be no opportunity for the local school district to work with the architect in developing the actual plans. The bill also

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seems to indicate that all sets of plans must go to the State Public Works Board which would mean the district would be responsible for paying the Public Works Board for going over these plans. Mr. Wright felt that may be an excessive charge. Mr. Wright said a problem may be in Line 24: "must be let to the lowest responsible bidder." A situation may occur when after a bonding process, a school district has one million dollars to spend on a school and the lowest bid is one million, three-hundred thousand dollars, according to the language, that bid must be let. Senator Blakemore stated that from a legal standpoint, that would not appear to be a problem. Senator Young asked if the Washoe County School District had a permanent architect. Mr. Wright said they did not unless they were going through a building period.

Mr. William Hancock of the State Public Works Board testified that the board would have trouble with the technical implementation of this bill. In the first part where the school district develops standards and specifications which would be submitted to the board for approval, Mr. Hancock doubted if the standards would meet what the State Public Works Board considers to be the "Open Competitive Bidding Requirements." If the standards are specific enough that one could be competitive, Mr. Hancock believed the advantage of the bill is lost because the contractor is limited even more than he is limited under a set of plans and specifications. The expertise of the architect and engineer is eliminated. Mr. Hancock also felt the procedure would place an undue emphasis on first-cost as opposed to life-cycle cost. Mr. Hancock concluded by stating that he did not feel the bill was a good piece of legislation.

Senator Young asked Mr. Hancock if the State Public Works Board has the expertise to make the general requirements sufficiently definite as required by this law. Mr. Hancock responded that under the definition of "Open Competitive Bidding," a specification must be written and to do that, it would also have to be designed as well.

Mr. Raymond Hellmann, an architect, testified on behalf of the Nevada Society of Architects. Mr. Hellmann stated the Society is opposed to S.B. 20 as it is written and concurred with the testimony of Mr. Dick Wright. Mr. Hellmann stated he would like to present the problem to the Society and the AIA, in addition to other groups, and report back to the committee with positive recommendations.

Mr. John Madole testified that the bill is a departure from the competitive bidding system and for this reason, the Association of General Contractors is opposed to the bill.

Mr. Vernon Rowley of the Carson City School District testified that they were not opposed to the bill as permissive legislation but would not want it to be required. He stated the school district would probably not use this approach.

There being no further testimony, Chairman Ashworth closed the hearing on S.B. 20.

Chairman Ashworth presented BDR 51-223^{*} for a committee introduction having received BDR 51-223 from Senator Gibson.

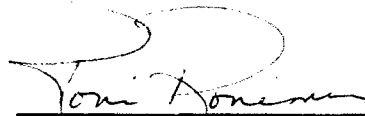
Senator Neal moved that BDR 51-223 be submitted as a committee introduction.

Seconded by Senator Blakemore.

Motion carried.

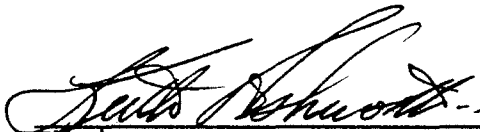
There being no further business, Chairman Ashworth adjourned the meeting at 10:50 am.

Respectfully submitted,



Roni Ronemus
Committee Secretary

Approved:



Chairman
Senator Keith Ashworth

*SB 159