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Board of County Commissioners

COUNTY OF ELKO
569 COURT STREET • ELKO, NEVADA 89801

ELKO COUNTY MANAGER
ROBERT K. STOKES
(775) 738-5398 PHONE
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rstokes@elkocountynv.net

March 28, 2003

Assemblyman Mark Manendo, Chairman
Assembly Government Affairs
Nevada State Legislature
Legislative Building
Carson City, NV 89701

Re: Assembly Bill 483 - Local Bidder Preference.
AN ACT allowing local governments to grant preference to local bidders bidding on certain local governmental contracts for goods or services.

Chairman Manendo and distinguished members of the Assembly Government Affairs Committee:

It has been brought to my attention that there are several flaws in AB 483. I have discussed this bill with Mr. Jim Keenan and he has identified several area's of concern. I have attached his e-mail comments to this letter for your review.

At this time we would respectfully request that AB 483 be withdrawn from any futher consideration by your Committee.

We appreciate your assistance in this matter. Should you have any questions do not hesitate to contact us.

Respectfully submitted,

John Ellison, Chairman
Elko County Board of Commissioners

By: Cash A. Minor
Cash A. Minor
Chief Financial Officer
Elko County

Attachment: Jim Keenan e-mail re AB 483

cc: Stephanie Licht

ASSEMBLY GOVERNMENT AFFAIRS
DATE: 3/31/03 ROOM: 3/43 EXHIBIT C
SUBMITTED BY: JOHN ELLISON
PAGE 1 of 2

Rstokes

From: Keenan, Jim [JKeenan@co.douglas.nv.us]
Sent: Thursday, March 27, 2003 9:07 AM
To: 'rstokes@elkocountynv.net'
Cc: 'jimkeenan4@charter.net'
Subject: AB 483

I'm Jim Keenan, Douglas County Purchasing Manager and also a registered lobbyist for the Nevada Public Purchasing Study Commission (see NRS 332.215).

Bob Hadfiled and Stephanie Licht both recommended that I contact you regarding subject bill. Our group, state purchasing and others are opposed to the bill and will be testifying to that end before both Assembly and Senate committees and I'll explain why in a minute.

But first, last Summer, a former employee of NACO (Tracy Becker) informed me that Elko County was drafting a BDR to solve a purchasing problem they were having. She said in her opinion, it was unnecessary because what they wanted to do was already permitted in statute. When she explained the problem to me, I agreed.

Unfortunately, I forgot the details of the problem and would ike to address that issue before dealing with your bill. I would like to discuss this with you or the person who does your purchasing.

As for the bill itself, it will be opposed for the following reasons:

1. Bidders preferences raise prices and restrict competition which violates good procurement practices and ethics and in some instances, contract law and applicable case law.
2. Bidders preferences do violate federal law so if you are using federal money in a purchase, you have a problem.
3. The bill, as written, is impossible to administer and would most likely fail any legal challenge because: two co-located local governments (like Elko City and County or Washoe County and Carson City) could each define local bidder differently and thus discriminate against vendors, creating an impossible bidding environment.
4. No description of "taxes or fees" is available so no one knows which are included.
5. No mention is made of what constitutes proof of payment of said taxes and fees.
6. Just yesterday, Senate Government Affairs passed SB 280 that provides for "reciprical reciprocity" in lieu of bidders preference. Let me explain that phrase (I just made it up): it means that instead of a bidders preference to exclude or level out-of-state bidders, our law will say that if another state has bidders preference, we will add that amount to any bid from a vendor in that state. AB 483 would have to apply that concept to each local government in Nevada; an impossibility.
7. In testimony yesterday, the committee supported state purchasing's dislike of any bidders preferences so I am sure that would be extended to AB 483 when it comes before them.
8. Section 1, paragraph 3 of the bill is redundant.

I am working from home today and will try calling you later this morning. My home number is 775-324-5373. I will be here until 1:30 today and again all day tomorrow.

3-31-03 EXHIBIT C
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