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**State of Nevada**  
**Assembly**  
**Seventy-Second Session**

**AB 398**

Establishes temporary alternative procedure pursuant to which certain performance contracts for cost-savings energy measures in buildings occupied by governmental entities are bid. (BDR 27-1115)

**PURPOSE**

The purpose of this legislation is to add a new code section allowing state departments and all other public entities, universities and colleges, public schools, cities and counties, etc., to enter into energy, water, waste disposal and other resource saving performance contracts, either as installment payment or lease-purchase contracts.

For example, an energy savings performance contract is an affordable way for a public entity to make investments in new energy-efficient equipment. The upgrades are made now--with no up-front capital—and are paid for later through the energy savings that result. The benefits are immediate, getting new equipment and expertise from energy service professionals, ongoing maintenance services, the ability to eliminate need for deferred maintenance or equipment replacement costs from capital improvements plan budgets, and the ability to accomplish many needs all at once as part of a package. In addition, implementation of operating cost savings projects will reduce or eliminate loss of employee productivity in buildings that do not meet comfort, health, and safety needs of occupants, including those of the general public. Best of all, these savings can be guaranteed. The legislation is based on national model legislation that has proven effective in several states. We have modified it to meet the specific needs and criteria of the State of Nevada.

Sections 1-14 enable local agencies to participate in the program.

Sections 15 through 21.5 define operational cost savings and associated terms.

Section 22 enables entering into the performance contracts and spells out the minimum qualifications necessary for a qualified service company to be qualified by the State Public