

SENATE BILL NO. 277—SENATORS WIENER, O’CONNELL, TITUS,
HARDY, CARE, RAGGIO, TIFFANY AND TOWNSEND

MARCH 13, 2003

Referred to Committee on Government Affairs

SUMMARY—Requires using agencies to purchase prescription drugs, pharmaceutical services, or medical supplies and related services only through Purchasing Division of Department of Administration under certain circumstances. (BDR 27-26)

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 state purchasing; requiring a using agency to purchase prescription drugs, pharmaceutical services, or medical supplies and related services only through the Purchasing Division of the Department of Administration under certain circumstances; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 333 of NRS is hereby amended by adding
2 thereto a new section to read as follows:
3 1. *Except as otherwise provided in subsection 2, a using*
4 *agency shall purchase prescription drugs, pharmaceutical*
5 *services, or medical supplies and related services, or any*
6 *combination thereof, only through the Purchasing Division.*
7 2. *A using agency may, on its own behalf or in cooperation*
8 *with one or more other using agencies or other governmental*
9 *entities within or outside this state, purchase prescription drugs,*
10 *pharmaceutical services, or medical supplies and related services*
11 *from an entity other than the Purchasing Division if the using*
12 *agency or using agencies or other governmental entities, as*



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1 applicable, can obtain the best value for prescription drugs,
2 pharmaceutical services, or medical supplies and related services
3 from the other entity and the Purchasing Division is unable to
4 match or exceed that best value in a timely manner.

5 3. If a using agency purchases prescription drugs,
6 pharmaceutical services, or medical supplies and related services
7 from an entity other than the Purchasing Division pursuant to
8 subsection 2, the using agency shall report to the Purchasing
9 Division, within 10 days after the initial purchase:

10 (a) The purchase price for the prescription drugs,
11 pharmaceutical services, or medical supplies and related services;
12 and

13 (b) The name, address and telephone number of the entity that
14 sold the using agency the prescription drugs, pharmaceutical
15 services, or medical supplies and related services.

16 4. As used in this section, "using agency" includes the
17 University and Community College System of Nevada.

18 **Sec. 2.** NRS 333.020 is hereby amended to read as follows:
19 333.020 As used in this chapter, unless the context otherwise
20 requires:

21 1. "Best value" means the greatest possible economy
22 consistent with grades or qualities of supplies, materials,
23 equipment and services that are adapted to the purposes to be
24 served.

25 2. "Chief" means the Chief of the Purchasing Division.

26 ~~[2-]~~ 3. "Director" means the Director of the Department of
27 Administration.

28 ~~[3-]~~ 4. "Invitation to bid" means a written statement which sets
29 forth the requirements and specifications of a contract to be awarded
30 by competitive selection.

31 ~~[4-]~~ 5. "Proprietary information" means:

32 (a) Any trade secret or confidential business information that is
33 contained in a bid or proposal submitted on a particular contract; or

34 (b) Any other trade secret or confidential business information
35 submitted in a bid or proposal and designated as proprietary by the
36 Chief.

37 As used in this subsection, "confidential business information"
38 means any information relating to the amount or source of any
39 income, profits, losses or expenditures of a person, including data
40 relating to cost or price submitted in support of a bid or proposal.
41 The term does not include the amount of a bid or proposal.

42 ~~[5-]~~ 6. "Purchasing Division" means the Purchasing Division of
43 the Department of Administration.

44 ~~[6-]~~ 7. "Purchasing officer" means a person who is authorized
45 by the Chief or a using agency to participate in:



- 1 (a) The evaluation of bids or proposals for a contract;
- 2 (b) Any negotiations concerning a contract; or
- 3 (c) The development, review or approval of a contract.

4 ~~[7.]~~ **8.** "Request for proposals" means a written statement
5 which sets forth the requirements and specifications of a contract to
6 be awarded by competitive selection.

7 ~~[8.]~~ **9.** "Trade secret" has the meaning ascribed to it in
8 NRS 600A.030.

9 ~~[9.]~~ **10.** "Using agencies" means all officers, departments,
10 institutions, boards, commissions and other agencies in the
11 Executive Department of the State Government which derive their
12 support from public money in whole or in part, whether the money
13 is provided by the State of Nevada, received from the Federal
14 Government or any branch, bureau or agency thereof, or derived
15 from private or other sources. The term does not include the Nevada
16 Rural Housing Authority, local governments as defined in NRS
17 354.474, conservation districts, irrigation districts and , *except as*
18 *otherwise provided in section 1 of this act*, the University and
19 Community College System of Nevada.

20 ~~[10.]~~ **11.** "Volunteer fire department" means a volunteer fire
21 department which pays premiums for industrial insurance pursuant
22 to the provisions of chapters 616A to 616D, inclusive, or chapter
23 617 of NRS.

24 **Sec. 3.** NRS 333.140 is hereby amended to read as follows:

25 333.140 The Chief, in all his purchasing and property control
26 activities, shall pursue a policy of securing the ~~[greatest possible~~
27 ~~economy consistent with grades or qualities of supplies and services~~
28 ~~that are adapted to the purposes to be served.]~~ *best value for*
29 *supplies, materials, equipment and services.*

30 **Sec. 4.** NRS 333.390 is hereby amended to read as follows:

31 333.390 1. ~~[The]~~ *Except as otherwise provided in section 1*
32 *of this act, the* Chief may authorize local purchasing by using
33 agencies, in accordance with the rules of procedure, of individual
34 orders for items not scheduled for quantity purchasing, not to exceed
35 \$5,000 for each order, except for the repair, replacement and
36 installation of parts for heavy equipment, not to exceed \$15,000 for
37 each order, at no higher prices than specified in the orders
38 authorizing the local purchasing. The Chief may authorize
39 purchasing at higher prices if perishable articles are involved and to
40 meet other emergency requirements.

41 2. The prices of the local purchases must be based on
42 considerations of equal service and economy as compared with
43 those in furnishing the same items of equal quality through the
44 regular purchasing procedure.

45 3. Each authorization must:



- 1 (a) Be revocable.
- 2 (b) Specify the limit of spending for individual orders not to
- 3 exceed \$5,000, except for the repair, replacement and installation of
- 4 parts referred to in subsection 1.
- 5 (c) Specify the articles to be purchased.
- 6 (d) Be operative for not longer than 1 year after the date of
- 7 issue.
- 8 4. A using agency that receives an authorization shall keep a
- 9 record of:
 - 10 (a) Its accounts and expenditures pursuant to that authority; and
 - 11 (b) Evidence indicating that every effort has been made to
 - 12 secure competitive bidding to the extent practicable.
- 13 **Sec. 5.** NRS 333.470 is hereby amended to read as follows:
- 14 333.470 1. ~~The~~ *Except as otherwise provided in section 1*
- 15 *of this act, the* University and Community College System of
- 16 Nevada, local governments as defined in NRS 354.474,
- 17 conservation districts and irrigation districts in the State of Nevada
- 18 may obtain supplies, materials and equipment on a voluntary basis
- 19 through the facilities of the Purchasing Division.
- 20 2. The Chief shall issue bulletins from time to time to:
 - 21 (a) Each state agency;
 - 22 (b) Each local governmental agency;
 - 23 (c) Each irrigation district;
 - 24 (d) Each conservation district; and
 - 25 (e) The University and Community College System of
 - 26 Nevada,
 - 27 indicating the supplies, materials and equipment available and the
 - 28 prices thereof.
- 29 3. The specifications for all bids for supplies, materials or
- 30 equipment to be furnished pursuant to the provisions of subsection 1
- 31 must be so written that all suppliers of the market in the industry or
- 32 business concerned are given an opportunity to bid pursuant to
- 33 notice as provided for in this chapter.
- 34 **Sec. 6.** NRS 287.0415 is hereby amended to read as follows:
- 35 287.0415 1. A majority of the members of the Board
- 36 constitutes a quorum for the transaction of business.
- 37 2. The Governor shall designate one of the members of the
- 38 Board to serve as the Chairman.
- 39 3. The Board shall meet at least once every calendar quarter
- 40 and at other times upon the call of the Chairman.
- 41 4. The Board may meet in closed session:
 - 42 (a) To discuss matters relating to personnel;
 - 43 (b) To prepare a request for a proposal or other solicitation for
 - 44 bids to be released by the Board for competitive bidding; or
 - 45 (c) As otherwise provided pursuant to chapter 241 of NRS.



1 5. As used in this section, "request for a proposal" has the
2 meaning ascribed to it in subsection ~~7~~ 8 of NRS 333.020.

3 **Sec. 7.** The amendatory provisions of this act do not apply to
4 any contract or other agreement for the purchase of prescription
5 drugs, pharmaceutical services, or medical supplies and related
6 services into which a using agency entered before July 1, 2003.

7 **Sec. 8.** This act becomes effective on July 1, 2003.

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