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S.B. 77

SENATE BILL NO. 77—COMMITTEE ON
HEALTH AND HUMAN SERVICES

(ON BEHALF OF CLARK COUNTY)

PREFILED NOVEMBER 20, 2018

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions governing purchasing by a county hospital and a hospital in a county hospital district. (BDR 40-488)

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 hospitals; revising provisions governing purchasing by a county hospital and a hospital in a county hospital district; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes a county hospital or a hospital in a county hospital
2 district to purchase supplies, materials and equipment through the purchasing
3 contracts of the company that manages the hospital, if applicable, or through a
4 purchasing group in which the hospital is a member without complying with the
5 competitive bidding requirements in the Local Government Purchasing Act if: (1)
6 the prices for the supplies, materials or equipment were obtained through a process
7 of competitive bidding; and (2) the governing body of the county hospital or the
8 board of trustees of the hospital district, as applicable, determines that the purchase
9 price is lower than the lowest price that could be attained through the competitive
10 bidding process set forth in the Local Government Purchasing Act. (NRS 450.191,
11 450.525, 450.530, 450.720, 450.725, 450.730)

12 This bill includes services in the types of purchases that a county hospital or
13 district hospital is authorized to make through the purchasing contracts of the
14 company that runs the hospital, if applicable, or through a purchasing group
15 without complying with the competitive bidding requirements in the Local
16 Government Purchasing Act or for public works. This bill additionally requires the
17 governing body of a county hospital or the board of trustees of a hospital district to
18 ensure that if the services to be purchased are for work on a project that qualifies as
19 a public work, the prevailing wages will be paid for those services.



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

1 **Section 1.** NRS 450.008 is hereby amended to read as follows:

2 450.008 “Purchasing group” means a cooperative organization
3 of hospitals and other health care organizations that affiliate for the
4 purpose of combining their purchasing power to secure a lower cost
5 for their purchases of supplies, materials , ~~and~~ equipment *and*
6 *services* than would be available to the members of the purchasing
7 group individually.

8 **Sec. 2.** NRS 450.191 is hereby amended to read as follows:

9 450.191 1. The governing body of a county hospital may
10 contract with a company which manages hospitals for the rendering
11 of management services in a county hospital under the ultimate
12 authority of the governing body.

13 2. The agreement may provide:

14 (a) That the administrator of the hospital must be an employee
15 of the company which manages the hospital; and

16 (b) That the hospital may, in accordance with the requirements
17 of NRS 450.530, purchase supplies, materials , ~~and~~ equipment *and*
18 *services* through the purchasing contracts of the company which
19 manages the hospital, or through a purchasing group, without
20 complying with the requirements for competitive bidding set forth in
21 ~~chapter~~ *chapters* 332 *and* 338 of NRS.

22 **Sec. 3.** NRS 450.525 is hereby amended to read as follows:

23 450.525 1. A county hospital may, with the approval of the
24 governing body of the hospital, become a member of a purchasing
25 group for the purpose of purchasing supplies, materials , ~~and~~
26 equipment *and services* used by the county hospital.

27 2. A county hospital that becomes a member of a purchasing
28 group may, in accordance with the requirements of NRS 450.530,
29 purchase supplies, materials , ~~and~~ equipment *and services* through
30 the purchasing group without complying with the requirements for
31 competitive bidding set forth in ~~chapter~~ *chapters* 332 *and* 338 of
32 NRS.

33 **Sec. 4.** NRS 450.530 is hereby amended to read as follows:

34 450.530 A county hospital that is authorized pursuant to NRS
35 450.191 or 450.525 to purchase supplies, materials , ~~and~~
36 equipment *and services* in accordance with this section through the
37 purchasing contracts of the company that manages the hospital or
38 through a purchasing group may purchase the supplies, materials ,
39 ~~and~~ equipment *and services* without complying with the
40 requirements for competitive bidding set forth in ~~chapter~~ *chapters*
41 332 *and* 338 of NRS if:



1 1. The documents pertaining to the proposed purchase,
2 including, without limitation, the prices available to the company or
3 purchasing group, are summarized in writing and, together with a
4 sworn statement by an officer or agent of the company or
5 purchasing group that the prices were obtained by the company or
6 purchasing group through a process of competitive bidding, are
7 presented to the governing body of the county hospital at its next
8 regularly scheduled meeting; ~~and~~

9 2. The governing body, after reviewing the summary and
10 statement, finds that the proposed purchase will be made at a lower
11 price than the lowest price reasonably obtainable by the hospital
12 through competitive bidding pursuant to ~~chapter~~ *chapters* 332 *and*
13 *338* of NRS or available to the hospital pursuant to NRS 333.470
14 and approves the proposed purchase ~~and~~; *and*

15 *3. The governing body ensures that if the services to be*
16 *purchased are for work on a project that qualifies as a public*
17 *work, as defined in NRS 338.010, the prevailing wages will be paid*
18 *for those services in compliance with the provisions of NRS*
19 *338.013 to 338.090, inclusive.*

20 **Sec. 5.** NRS 450.720 is hereby amended to read as follows:

21 450.720 1. The board of trustees may contract with a
22 company which manages hospitals for the rendering of management
23 services in a district hospital.

24 2. The agreement may provide:

25 (a) That the chief executive officer of the hospital must be an
26 employee of the company which manages the hospital; and

27 (b) That the hospital may, in accordance with the requirements
28 of NRS 450.730, purchase supplies, materials, ~~and~~ equipment *and*
29 *services* through the purchasing contracts of the company which
30 manages the hospital, or through a purchasing group, without
31 complying with the requirements for competitive bidding set forth in
32 ~~chapter~~ *chapters* 332 *and* 338 of NRS.

33 **Sec. 6.** NRS 450.725 is hereby amended to read as follows:

34 450.725 1. A district hospital may, with the approval of the
35 board of trustees, become a member of a purchasing group for the
36 purpose of purchasing supplies, materials, ~~and~~ equipment *and*
37 *services* used by the district hospital.

38 2. A district hospital that becomes a member of a purchasing
39 group may, in accordance with the requirements of NRS 450.730,
40 purchase supplies, materials, ~~and~~ equipment *and services* through
41 the purchasing group without complying with the requirements for
42 competitive bidding set forth in ~~chapter~~ *chapters* 332 *and* 338 of
43 NRS.



1 **Sec. 7.** NRS 450.730 is hereby amended to read as follows:
2 450.730 A district hospital that is authorized pursuant to NRS
3 450.720 or 450.725 to purchase supplies, materials , ~~and~~
4 equipment *and services* in accordance with this section through the
5 purchasing contracts of the company that manages the hospital or
6 through a purchasing group may purchase the supplies, materials ,
7 ~~and~~ equipment *and services* without complying with the
8 requirements for competitive bidding set forth in ~~chapter~~ *chapters*
9 332 *and 338* of NRS if:

10 1. The documents pertaining to the proposed purchase,
11 including, without limitation, the prices available to the company or
12 purchasing group, are summarized in writing and, together with a
13 sworn statement by an officer or agent of the company or
14 purchasing group that the prices were obtained by the company or
15 purchasing group through a process of competitive bidding, are
16 presented to the board of trustees at its next regularly scheduled
17 meeting; ~~and~~

18 2. The board of trustees, after reviewing the summary and
19 statement, finds that the proposed purchase will be made at a lower
20 price than the lowest price reasonably obtainable by the hospital
21 through competitive bidding pursuant to ~~chapter~~ *chapters* 332 *and*
22 *338* of NRS or available to the hospital pursuant to NRS 333.470
23 and approves the proposed purchase ~~[-]; and~~

24 3. *The board of trustees ensures that if the services to be*
25 *purchased are for work on a project that qualifies as a public*
26 *work, as defined in NRS 338.010, the prevailing wages will be paid*
27 *for those services in compliance with the provisions of NRS*
28 *338.013 to 338.090, inclusive.*

29 **Sec. 8.** This act becomes effective upon passage and approval.

