

Senate Bill No. 77–Committee on  
Health and Human Services

CHAPTER.....

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:**

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

With certain exceptions, this bill includes services in the types of purchases that a county hospital or district hospital is authorized to make through the purchasing contracts of the company that runs the hospital, if applicable, or through a purchasing group without complying with the competitive bidding requirements in the Local Government Purchasing Act.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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

**Section 1.** NRS 450.008 is hereby amended to read as follows:  
450.008 “Purchasing group” means a cooperative organization of hospitals and other health care organizations that affiliate for the purpose of combining their purchasing power to secure a lower cost for their purchases of supplies, materials , ~~and~~ equipment *and services* than would be available to the members of the purchasing group individually.

**Sec. 2.** NRS 450.191 is hereby amended to read as follows:  
450.191 1. The governing body of a county hospital may contract with a company which manages hospitals for the rendering of management services in a county hospital under the ultimate authority of the governing body.

2. The agreement may provide:  
(a) That the administrator of the hospital must be an employee of the company which manages the hospital; and



(b) ~~That~~ *Except as otherwise provided in this paragraph, that the hospital may, in accordance with the requirements of NRS 450.530, purchase supplies, materials , ~~and~~ equipment and services through the purchasing contracts of the company which manages the hospital, or through a purchasing group, without complying with the requirements for competitive bidding set forth in chapter 332 of NRS. The hospital may not purchase services or otherwise enter into an agreement pursuant to this paragraph for:*

*(1) The hiring of temporary or permanent staff through a vendor or employment agency to perform any medical or nursing care.*

*(2) Any work for which a contractor's license issued pursuant to chapter 624 of NRS is required.*

*↳ The provisions of this paragraph do not prohibit the hospital from purchasing specialty equipment which requires installation services that must be performed by a person who holds a contractor's license issued pursuant to chapter 624 of NRS and which are specific to a particular project and are not commonly used in public works projects.*

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

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

2. ~~A~~ *Except as otherwise provided in this subsection, a county hospital that becomes a member of a purchasing group may, in accordance with the requirements of NRS 450.530, purchase supplies, materials , ~~and~~ equipment and services through the purchasing group without complying with the requirements for competitive bidding set forth in chapter 332 of NRS. A county hospital may not purchase services or otherwise enter into an agreement pursuant to this subsection for:*

*(a) The hiring of temporary or permanent staff through a vendor or employment agency to perform any medical or nursing care.*

*(b) Any work for which a contractor's license issued pursuant to chapter 624 of NRS is required.*

*↳ The provisions of this subsection do not prohibit a county hospital from purchasing specialty equipment which requires installation services that must be performed by a person who holds a contractor's license issued pursuant to chapter 624 of NRS and which are specific to a particular project and are not commonly used in public works projects.*



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

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

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

2. The governing body, after reviewing the summary and statement, finds that the proposed purchase will be made at a lower price than the lowest price reasonably obtainable by the hospital through competitive bidding pursuant to chapter 332 of NRS or available to the hospital pursuant to NRS 333.470 and approves the proposed purchase.

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

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

2. The agreement may provide:

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

(b) ~~That~~ *Except as otherwise provided in this paragraph, that the hospital may, in accordance with the requirements of NRS 450.730, purchase supplies, materials , ~~and~~ equipment *and services* through the purchasing contracts of the company which manages the hospital, or through a purchasing group, without complying with the requirements for competitive bidding set forth in chapter 332 of NRS. *The hospital may not purchase services or otherwise enter into an agreement pursuant to this paragraph for:**

*(1) The hiring of temporary or permanent staff through a vendor or employment agency to perform any medical or nursing care.*

*(2) Any work for which a contractor's license issued pursuant to chapter 624 of NRS is required.*



*↳ The provisions of this paragraph do not prohibit the hospital from purchasing specialty equipment which requires installation services that must be performed by a person who holds a contractor's license issued pursuant to chapter 624 of NRS and which are specific to a particular project and are not commonly used in public works projects.*

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

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

2. ~~[A]~~ *Except as otherwise provided in this subsection, a district hospital that becomes a member of a purchasing group may, in accordance with the requirements of NRS 450.730, purchase supplies, materials , ~~and~~ equipment and services through the purchasing group without complying with the requirements for competitive bidding set forth in chapter 332 of NRS. A district hospital may not purchase services or otherwise enter into an agreement pursuant to this subsection for:*

*(a) The hiring of temporary or permanent staff through a vendor or employment agency to perform any medical or nursing care.*

*(b) Any work for which a contractor's license issued pursuant to chapter 624 of NRS is required.*

*↳ The provisions of this subsection do not prohibit a district hospital from purchasing specialty equipment which requires installation services that must be performed by a person who holds a contractor's license issued pursuant to chapter 624 of NRS and which are specific to a particular project and are not commonly used in public works projects.*

**Sec. 7.** NRS 450.730 is hereby amended to read as follows:

450.730 A district hospital that is authorized pursuant to NRS 450.720 or 450.725 to purchase supplies, materials , ~~and~~ equipment *and services* in accordance with this section through the purchasing contracts of the company that manages the hospital or through a purchasing group may purchase the supplies, materials , ~~and~~ equipment *and services* without complying with the requirements for competitive bidding set forth in chapter 332 of NRS if:

1. The documents pertaining to the proposed purchase, including, without limitation, the prices available to the company or purchasing group, are summarized in writing and, together with a sworn statement by an officer or agent of the company or



purchasing group that the prices were obtained by the company or purchasing group through a process of competitive bidding, are presented to the board of trustees at its next regularly scheduled meeting; and

2. The board of trustees, after reviewing the summary and statement, finds that the proposed purchase will be made at a lower price than the lowest price reasonably obtainable by the hospital through competitive bidding pursuant to chapter 332 of NRS or available to the hospital pursuant to NRS 333.470 and approves the proposed purchase.

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

