

MINUTES
MEETING OF THE BOARD OF EXAMINERS

October 14, 2014

The Board of Examiners met on October 14, 2014, in the Guinn Room on the second floor of the Capitol Building, 101 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

Members:

Governor Brian Sandoval
Attorney General Catherine Cortez Masto
Secretary of State Ross Miller
Julia Teska, Clerk

Others Present:

Sean McDonald, Department of Motor Vehicles
Heather Hawkins, Department of Motor Vehicles
Marcia Turner, Nevada System of Higher Education
Greg Smith, Department of Administration, Purchasing Division
Scott Sisco, Department of Corrections
Cheryl Tyler, Office of the Military
Cari Eaton, Silver State Health Exchange
Steve Canavero, Department of Education
Mindy Martini, Department of Education
Leah Lamborn, Department of Health and Human Services, Health Care, Financing and Policy
Keith Wells, Department of Administration, Fleet Services Division
Katie Armstrong, Attorney General's Office
Bryan Stockton, Attorney General's Office
Melanie Mason, Department of Employment, Training, and Rehabilitation

1. PUBLIC COMMENTS

Comments:

Governor: Good morning, everybody. I will call the Board of Examiners' meeting to order. The first item on the agenda is public comment. Is there anyone present in Las Vegas that would like to provide public comment to the Board? Hearing none, is there any member of the public here in Carson City that would like to provide comment to the Board?

Clerk: I would like to note for the record that the Budget Division received public comment in regards to a contract that is not the agenda but I wanted to make sure that it was on record that we did receive the information and it will be submitted with the minutes.

Governor: Thank you.

*2. FOR POSSIBLE ACTION – APPROVAL OF THE AUGUST 12, 2014 BOARD OF EXAMINERS' MEETING MINUTES

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: All right. Let's move on to Agenda Item No. 2, which is approval of the August 12, 2014 Board of Examiners' Meeting Minutes. And we'll also take on Agenda Item No. 3, which is approval of the September 9, 2014 Meeting Minutes. Have the members had an opportunity to review the minutes, and are there any changes?

Secretary of State: I'll move for approval.

Attorney General: Second.

Governor: Actually Secretary we won't be able to have you vote on this item since you were not in attendance.

Attorney General: I'll move for approval.

Governor: The Attorney General has moved for approval of Agenda Items 2 and I will second the motion. Any questions or discussion? If there are none, all those in favor say aye.

Attorney General: Aye.

Governor: Aye. Motion passes 2-0.

***3. FOR POSSIBLE ACTION – APPROVAL OF THE SEPTEMBER 9, 2014 BOARD OF EXAMINERS’ MEETING MINUTES**

Clerk’s Recommendation: I recommend approval.

Motion By: Attorney General Seconded By: Secretary of State Vote: 3-0

Comments:

Governor: All right. Let’s move on to Agenda Item No. 3, which is approval of the September 9, 2014 Board of Examiners’ Meeting Minutes.

Attorney General: I’ll move for approval.

Secretary of State: Second.

Governor: The Attorney General has moved for approval of Agenda Items 2 and 3. The Secretary of State has seconded the motion. Any questions or discussion? If there are none, all those in favor say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Motion passes 3-0.

***4. FOR POSSIBLE ACTION – STATE VEHICLE PURCHASE**

Pursuant to NRS 334.010, no automobile may be purchased by any department, office, bureau, officer or employee of the State without prior written consent of the State Board of Examiners.

AGENCY NAME	# OF VEHICLES	NOT TO EXCEED:
Department of Administration – Fleet Services	1	\$16,500
Office of the Military	1	\$62,623
Total	2	\$79,123

Clerk’s Recommendation: I recommend approval.

Motion By: Attorney General Seconded By: Secretary of State Vote: 3-0

Comments:

Governor: We will move on to Agenda Item No. 4, State Vehicle Purchase. Ms. Teska.

Clerk: Thank you, Governor. On the Agenda for approval today are two vehicles one for the Department of Administration and the Office of the Military.

Governor: Thank you very much. I have no questions. Board members, any questions?

Attorney General: No. I'll move for approval of Agenda Item No. 4.

Secretary of State: Second.

Governor: The Attorney General has moved for approval of Agenda Item No. 4. The Secretary of State has seconded the motion. Any questions or discussion? If there are none, all in favor say aye.

Attorney General: Aye.

Governor: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

***5. FOR POSSIBLE ACTION – APPROVAL TO PAY A CASH SETTLEMENT**

Pursuant to NRS 41.037, the State Board of Examiners may approve, settle or deny any claim or action against the State, any of its agencies or any of its present or former officers, employees, immune contractors or State Legislators.

A. Department of Transportation (NDOT) – Administration – \$83,500

The department requests settlement approval in the amount of \$83,500 to resolve an eminent domain action to acquire a permanent highway easement over unimproved real property owned by the City of Los Angeles and located in Henderson. NDOT is acquiring the easement for the purpose of constructing the Boulder City Bypass Project. NDOT previously deposited \$260,000 with the Court for the appraised value of the property in order to obtain occupancy. NDOT now requests an additional \$83,500 to resolve the action. Approval of the additional amount of \$83,500 would bring the total to \$343,500.

Clerk's Recommendation: I recommend approval.

Motion By: _____ **Seconded By:** _____ **Vote:** _____

Comments:

B. Department of Transportation (NDOT) – Administration – \$716,600

The department requests settlement approval in the amount of \$716,600 to resolve an eminent domain action to acquire unimproved real property owned by Carrie L. Jenkins and located at the corner of Martin Luther King Boulevard and Alta Drive in Las Vegas. The Subject Property is for the purpose of constructing Project NEON. NDOT previously deposited \$883,400 with the Court for the appraised value of the property in order to obtain occupancy. NDOT now requests an additional \$716,600 to resolve the action. Approval of the additional amount of \$716,600 would bring the total to \$1,600,000.

Clerk's Recommendation: I recommend approval.

Motion By: _____ **Seconded By:** _____ **Vote:** _____
Comments:

C. Department of Transportation (NDOT) – Administration – \$1,647,913.50

The department requests approval of a settlement and release agreement between NDOT and Travelers Casualty and Surety Company of America (Travelers). This proposed settlement resolves separate litigation on contracts 3377 and 3407 and a payment claim on contract 3392. Travelers provided separate payment and performance bonds on all three contracts.

The proposed settlement provides for \$1,647,913.50 to be paid to NDOT by Travelers for NDOT's counterclaim on contract 3377.

Clerk's Recommendation: I recommend approval.

Motion By: _____ **Seconded By:** _____ **Vote:** _____
Comments:

D. Department of Transportation (NDOT) – Administration – \$150,783.91

The department requests approval of a settlement and release agreement between NDOT and Travelers Casualty and Surety Company of America (Travelers). This proposed settlement resolves separate litigation on contracts 3377 and 3407 and a payment claim on contract 3392. Travelers provided separate payment and performance bonds on all three contracts.

The proposed settlement provides payment of \$150,783.91 to Travelers by NDOT for Travelers' claims on contracts 3377 and 3407, and to release payment of \$467,775.80 to Travelers currently owed by NDOT on contracts 3377, 3392 and 3407.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General _____ **Seconded By: Secretary of State** _____ **Vote: 3-0**
Comments:

Governor: We will move to agenda item five approval to pay a Cash Settlement 5 A-D for the Department of Transportation 5 E for the College Savings Plan through the State Treasurers Office.

Clerk: Thank you Governor. Would you like to take these individually or as a whole?

Governor: We will take items A-D and then hear item E.

Rudy Malfabon: Good morning Governor and the members of the Board. My name is Rudy Malfabon, Director for the Department of Transportation. First is a property in which we filed a complaint against the City to acquire the Easement for the frontage road (the "Action"). NDOT obtained occupancy of the Easement on October 1, 2013, and thereafter deposited with the Court \$260,000, the amount of NDOT's April 2013 appraisal. The applicable date of value used to determine just compensation for trial, however, was September 4, 2013, the date of service of the first summons in the Action. NRS 37.120(1). Subsequently, NDOT's expert appraiser, Tio DiFederico, MAI, used the sales comparable approach to value the Property and the Easement and concluded that just compensation was \$300,000 as of September 2013. He valued the Easement at \$120,000 and assessed severance damages to the remainder of the Property at \$180,000, then added those figures together to reach the total just compensation figure. The City's expert appraiser, Keith Harper, MAI, also used the sales comparable approach and concluded that just compensation was \$387,000 as of September 2013. His opinion of the value of the Easement was \$187,170, and his opinion of the severance damages and cost to cure the remainder of the Property was \$199,810. He then rounded up his total just compensation figure to \$387,000. The primary reason for the difference in the appraisers' conclusions of value was the impact to the Property each attributed to an existing overhead transmission line easement by the Western Area Power Administration that encumbers the Property. NDOT's appraiser generally made greater downward adjustments to his comparables for that easement than did the City's appraiser. The trial of this matter is scheduled to begin May 16, 2015. If this matter does not settle, and the City prevails at trial, it could be awarded up to \$387,000, plus prejudgment interest and its reasonable costs, which NDOT must pay per the requirements of NRS 37.120(3) and Nevada Constitution Art. I, Sec. 22(4)(PISTOL Amendment). All other Defendants filed disclaimers of interest in the Property shortly after the Action was filed. The IPP Coordinating Committee and IPA Board of Directors approved the current settlement proposal at their meeting on August 12, 2014. Next is item B, in July of 2012, NDOT filed a complaint against Jenkins to acquire the fee simple interest in her entire Property (the "Action"). NDOT obtained occupancy of the Property on August 28, 2012, after making a deposit of \$883,400. That figure was based on NDOT's March 2011 appraisal of the Property. Jenkins filed counterclaims against NDOT and the City of Las Vegas for inverse condemnation, pre-condemnation damages, attorney's fees, costs and pre-judgment interest. Jenkins generally alleges that NDOT and the City damaged the Property and/or prevented the Property from being developed through their alleged plan to "preserve" property in certain areas for future public improvement projects. The applicable date of value used to appraise the Property for trial was the trial date of August 4, 2014. NRS 37.120. NDOT's expert appraiser, Glenn Anderson, MAI, concluded that the Property would be worth \$1,470,000 as of that date. NDOT also retained a second expert appraiser, Tami Campa, MAI, who

concluded that the Property would be worth \$736,000 as of that date. Both of NDOT's appraisers used the sales comparable approach to value the Property, which involves the identification of sales of real property that are comparable to a subject property and have taken place at a date that is close to the applicable date of value, and using those sales to derive a value of the subject property. In this case, Campa's comparable sales averaged a lower per square foot price than Anderson's. Jenkins's expert appraiser, Keith Harper, MAI, concluded that the Property would be worth \$2,050,000 as of the trial date. He also used the sales comparable approach to value the Property, which he considers to be located at "the gateway to Symphony Park (and Downtown)," thereby allegedly supporting a higher value per square foot. Ms. Jenkins herself, who is not an appraiser, opines that the Property is worth \$3,000,000. Jenkins also seeks pre-judgment interest going back to 2008, the date of what she alleges to be the "taking" of the Property, or the wrongful behavior by NDOT and/or the City damaging her property. If this matter does not settle, and Jenkins prevails on her claims using Harper's values for the Property, she would be entitled to at least \$2,600,000, plus her reasonable costs, which NDOT must pay per the requirements of NRS 37.120(3) and Nevada Constitution Art.I, Sec. 22(4) (PISTOL Amendment). If she prevails using her own higher opinion of value, she would be entitled to at least \$3,900,000, plus her reasonable costs. The other Defendants in the Action are Clark County, the City of Las Vegas, Nevada Power Company, and Central Telephone Company. All of these parties have filed disclaimers of interest in the Property. The next item C and D are related Peek is the contractor that got the winning bid and they began work on Contract 3377 on July 20, 2009 and continued until temporary winter shutdown on November 4, 2011 at the end of the third construction season. The contract was not complete. Peek did not return to complete the project in the spring of 2012. Peek had been paid for the work performed in the previous three construction seasons. On December 27, 2011 Peek submitted a Request for Equitable Adjustment (REA) of \$3,216,878.71 for work performed in year 3. Peek subsequently filed litigation in the District Court in Carson City on January 25, 2012 alleging non-payment and breach of contract. Peek began work on Contract 3407 on May, 24, 2010. The project was deemed complete and accepted by NDOT's Elko District on July 18, 2011. At that point, Peek had been paid over \$3 million of the \$3,156,345.49 original contract amount for the work performed on the contract. In September 2011 Peek filed a separate REA for an additional \$1,884,028.02. Peek subsequently filed separate litigation in the District Court of Carson City on January 25, 2012 alleging non-payment and breach of contract. WBI began work on Contract 3392 on June 14, 2010. WBI completed the work and the contract was accepted by NDOT on April 2, 2012. An issue arose complicating the ability to pay Peek/WBI. Peek/WBI sent separate letters via email to NDOT's general email address on November 15, 2011 instructing NDOT to redirect all project payments to Travelers (Peek/WBI's surety). Peek later rescinded that instruction by telephone and refused to complete the "Additional Remittance" forms required by the State of Nevada Controller's Office to redirect payments. And despite verbal assurances from Travelers that Travelers would indemnify NDOT from Peek/WBI, Travelers did not do so in writing. Since the recipient of contract payments was being disputed between Peek/WBI and Travelers, NDOT was unable to process payments for the remaining contract proceeds on work performed. When Peek did not return to finish contract 3377, Peek was defaulted by

NDOT per the terms of the contract on May 3, 2012. On May 14, 2012, Travelers was instructed to complete the project. Travelers was then granted a thirty day extension. Travelers failed to complete the project and were subsequently defaulted by NDOT per the performance bond. In separate litigation filed by Travelers against Peek and WBI in federal court, Travelers was successful in obtaining ownership rights to Peek's and WBI's claims against NDOT. Travelers then obtained substitution orders replacing Peek with Travelers in Peek's pending litigation with NDOT on contracts 3377 and 3407. Despite several attempts by NDOT to resolve this matter with Travelers, including formal mediation, the parties were unable to agree on resolution of the disputes, and proceeded with pretrial discovery, depositions, motions and preparation for a trial scheduled for mid-September regarding contract 3377. Only recently were the parties able to find resolution to the disputes and settle all issues on the three contracts. The proposed settlement provides for Travelers to pay \$1,647,913.50 to NDOT for NDOT's counterclaim for unfinished work on contract 3377. NDOT in turn will pay Travelers \$618,559.71 to Travelers which is comprised of an undisputed amount of \$467,775.80 for work completed on the contracts 3377, 3392 and 3407 and \$150,783.91 to settle disputed claims on contracts 3377 and 3407.

Governor: Thank you for that over view and detail on those items. Do you feel that this is in the best interest of the state?

Rudy Malfabond: Yes they all will benefit the State to not have to pay any extra fees.

Governor: I have no further questions. Are there any other questions from the members?

Attorney General: No Governor. I'll move for approval.

Secretary of State: Second.

Governor: The Attorney General has moved for approval of Agenda Item No. 5 A-D. The Secretary of State has seconded the motion. Any questions or discussion? If there are none, all in favor say aye.

Attorney General: Aye.

Governor: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

E. College Savings Plans of Nevada (CSP), acting by and through its Administrator, the State Treasurer of Nevada – \$850,000

The CSP Board requests settlement approval in the amount of \$850,000 to resolve ongoing litigation between the CSP in a civil action brought by Treasury Solutions, LLC for breach of contract between the CSP and Treasury Solutions. This action was based upon the assertion by Treasury Solutions that it did not receive funds allegedly due and owing it under the Treasury Solutions Agreement.

Governor: We will move on to item E, good morning.

Mark Mathers: Good morning Governor and members of the Board. My name is Mark Mathers with the Treasurer's Office. Treasury Solutions agreed to provide to the CSP Board advisory services related to the State of Nevada's college savings program CSP including assistance with program development and implementation, compliance and performance monitoring of vendors providing administration and investment services, and other assistance necessary to provide a quality program. In exchange for performing such services, Treasury Solutions was paid certain fees earned from the CSP. The Treasury Solutions Agreement has been amended twice, including that certain amendment executed by the Parties on April 4, 2006 and April 6, 2006, after adoption at a meeting of the CSP Board on March 22, 2006, and approved by the State of Nevada Board of Examiners on May 11, 2006. Pursuant to Treasury Solutions Amendment #2, the Parties agreed that Treasury Solutions would no longer be obligated to provide the Treasury Solutions Services, but that Treasury Solutions would continue to be paid the Treasury Solutions Fees through the termination of the Treasury Solutions Agreement, as amended. Upromise Investments, Inc. a Delaware corporation UII; Upromise, Inc., a Delaware corporation, and the CSP Board were parties to that certain Contract for Services of Independent Contractor as supplemented by that certain Direct Program Management Agreement, both executed on March 5, 2002 and approved by the Nevada State Board of Examiners on March 12, 2002, pursuant to which, among other things: as specified in the Upromise Agreement, UII managed the day-to-day operations of certain college savings plans in the CSP and coordinated payments to subcontractors, vendors and other third parties; and Upromise managed internet-based savings network as specified in the Upromise Agreement. The Upromise Agreement has been amended seven times, including that certain amendment executed by the CSP Board and the Upromise Entities on November 20 and November 21, 2006, after adoption at a meeting of the CSP Board on November 17, 2006, and approved by the State of Nevada Board of Examiners on December 28, 2006. In 2013, UII was sold by Sallie Mae to Ascensus, Inc. As a result of that sale, Upromise assigned all of its duties, responsibilities interests and rights under the Upromise Agreement to UII. UII is currently known as Ascensus Broker Dealer Services, Inc. Through Upromise Amendment #2, the CSP Board and the Upromise Entities agreed to a global restructuring of the CSP fee structure, including, among other things, reallocation of all Treasury Solutions Fees accruing under the CSP to UII; payment by UII to the CSP Board of a one-time, up-front fee of \$1,000,000; payment by UII and The Vanguard Group, Inc. to the CSP Board of an annual, CPI-adjusted program fee of \$1,500,000. In Amendment #2, the CSP Board and the Upromise Entities also agreed the CSP Board would close out, by December 15, 2006, any and all of its contractual obligations to Treasury Solutions. Subsequent to December 15, 2006, the

Upromise Entities made certain payments to Treasury Solutions. Treasury Solutions contends the CSP Board never closed out the Treasury Solutions Agreement, and that Treasury Solutions did not receive the Treasury Solutions Fees or the equivalent pursuant to the Treasury Solutions Agreement. The CSP Board disputes those allegations and contends that Treasury Solutions has been paid all sums owed to it pursuant to the Treasury Solutions Agreement, as amended. On December 28, 2009, Treasury Solutions filed a complaint against the Upromise Entities and Vanguard, subsequently removed on diversity grounds to the United States District Court for the District of Nevada asserting causes of action for, among other things, tortious interference with an existing contract. The Treasury Solutions/Upromise Litigation remains pending before the United States District Court for the District of Nevada. On August 15, 2011, Treasury Solutions filed a complaint against the CSP Board, asserting causes of action for, among other things, breach of contract based upon the assertion that Treasury Solutions did not receive funds allegedly due and owing under the Treasury Solutions Agreement. The CSP Board has disputed the allegations made in the Treasury Solutions/Nevada Litigation and disputes that Treasury Solutions is owed money by the CSP Board or the State of Nevada. The CSP Board also filed a counterclaim in the Treasury Solutions/Nevada Litigation seeking a declaration that the Treasury Solutions Agreement, as amended, had been terminated and that no additional monies were owed by the CSP Board or the State of Nevada pursuant to the Treasury Solutions Agreement. As a result of confidential settlement discussions, the Parties have agreed to settle and resolve any and all claims and counterclaims asserted in the Treasury Solutions/Nevada Litigation on the terms set forth herein, and believe it is in the best interests of the Parties, the public, and judicial economy to resolve the Parties' Claims without further litigation.

Governor: Thank you. Do you feel that this is in the best interest of the state?

Mark Mathers: Yes.

Governor: I have no further questions. Are there any other questions from the members?

Attorney General: No Governor. I'll move for approval.

Secretary of State: Second.

Governor: The Attorney General has moved for approval of Agenda Item No. 5 E. The Secretary of State has seconded the motion. Any questions or discussion? If there are none, all in favor say aye.

Attorney General: Aye.

Governor: Aye.

Secretary of State: Aye.

Governor: Motion passes 3-0.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General **Seconded By: Secretary of State** **Vote: 3-0**

Comments:

***6. FOR POSSIBLE ACTION – LEASES**

Nine statewide leases were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General **Seconded By: Secretary of State** **Vote: 3-0**

Comments:

Governor: Agenda Item No. 6, leases. Ms. Teska.

Clerk: Thank you, Governor. There are nine leases on the agenda for your consideration, and I will be happy to answer any questions if you have any.

Governor: I have none.

Attorney General: I have none. I'll move for approval.

Secretary of State: Second.

Governor: The Attorney General has moved for approval of leases number one through, as described in Agenda Item No. 6. The Secretary of State has seconded the motion. All in favor please say aye.

Group: Aye.

Governor: Motion passes 3-0.

***7. FOR POSSIBLE ACTION – CONTRACTS**

Thirty two independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: **Seconded By:** **Vote:**

Comments:

Governor: Ms. Teska, we'll move on to contracts.

Clerk: Thank you, Governor. There are 32 contracts for action by the Board today. Among those, I believe, we would like to hear testimony on contract number 4, 7, contract number 10, we would like to pull that contract and bring it to a future meeting, contract number 17, 27, 30, 31 and 32.

Governor: Ms. Teska, we'll move on to contracts.

Clerk: Thank you, Governor. There are 30 contracts for action by the Board today. Among those, I believe, we would like to hear testimony on contract number one, which is the Attorney General's office, contract number 10, which is Department of Health and Human Services, Welfare, and Support Services, and contract 30, which is the Deferred Compensation Committee.

Governor: Do the members have any other contracts that they would like testimony or clarification on?

Attorney General: No Governor.

Secretary of State: No.

Governor: Ok we will start with contract number 4 and 7 for the Department of Education.

Steve Canavero: Good morning my name is Steve Canavero with the Department of Education. Contract number four is a contract with ACT, Inc. which is a mission-driven nonprofit organization; our insights unlock potential and create solutions that build education and workplace success. They improve college and career readiness. With more than 50 years of data and research bolstering our efforts, ACT delivers solutions no other organization can. Serving more than 10 million people along the Kindergarten through Career continuum, they provide support for all of life's transitions. Though ACT initially focused on college readiness, they know that learning is a lifelong journey. ACT now offers more than 20 programs and services, providing support for all of life's transitions along the Kindergarten through Career continuum. ACT helps to

- Guide students as they navigate transitions throughout their learning paths
- Empower education administrators to make informed judgments
- Foster parent, teacher, and counselor understanding of student progress
- Assist human resources professionals as they make hiring decisions
- Help companies retain and develop a skilled workforce
- Provide job seekers with credentials and a streamlined path to success
- Help state and national government agencies understand current education and workforce issues

The next contract number seven is Turning Point, Inc. who entered into a partnership with the University of Nevada, Reno in 1999 to co-sponsor the Center for Program Evaluation and Partnership Development Services (CPEPDS), housed in the College of Human and Community Sciences. Together, Turning Point, Inc. and CPEPDS have engaged in several evaluation and needs assessment projects, including the statewide needs assessment project for Respite Care; the Nevada School-To-Careers Evaluation, the Nevada Health Division's development of a statewide evaluation plan for Ryan White funded HIV-AIDS treatment programs, and the development of sustainable evaluation systems for Washoe County School District's Family Resource Centers and Parent Involvement Committee. CPEPDS also is the primary evaluator for the Clark County "Healthy Hearts" project, funded through the Center for Disease Control to reduce cardiovascular disease among African Americans in the Las Vegas area.

Deborah Loesch-Griffin was co-founder of Community Chest, Inc., a community youth development and community action organization with offices in Virginia City, Storey County, Nevada. CCI was established in 1991 by Shaun Griffin and Deborah Loesch-Griffin who always wanted to work in a place where they could act upon their convictions. The organization, now celebrating its 15th year, was established as an organization that could take risks, steadfastly engage a very divergent, rural Western community in community-building efforts, and translate a vision for social change in their community as well as across the state. This social justice organization continues to serve the needs and priorities of the citizens of Storey County while working on national and state policy issues around hunger, homelessness, domestic violence, and a number of social issues, and providing training and technical assistance to other rural and urban communities around the state using their model for social change. TPI is a business sponsor for their Global Voice International Youth Exchange program and continues to provide support for organizational development and outcomes-based strategic planning. I will be happy to answer any questions you may have.

Governor: Hearing none we will move to contract number 17 for the office of the Military.

Cheryl Tyler: Good morning my name is Cheryl Tyler with the Office of the Military. This contract is to provide the Chief, National Guard Bureau, as directed, with assessment of the economy, efficiency, discipline, morale, esprit de corps, relevance and readiness of the National Guard through an agenda of assistance, investigations and inspections in order to support the defense of our homeland and the Global War on Terrorism.

Governor: Thank you, I have no further questions. Next is contract number 27 for the Department of Motor Vehicles.

Sean McDonald: Good morning, Governor and members of the Board. For the record my name is Sean McDonald with the Department of Motor Vehicles. The contract on the agenda is with Irwin Hodson Group, LLC who is providing services for the license plates for the State of Nevada until our facility is finished. We are using an outside vendor to ensure that all of the license plates are finished and on track without being interrupted during the building process.

Governor: Thank you. All right. Board members, do you have any questions with regard to Contracts 1 through 32 with the exception of contract number 10 which has been pulled and will be placed on a future agenda?

Attorney General: No.

Secretary of State: No.

Governor: Then the Chair will accept a motion for approval of contracts 1 through 32 excluding contract 10.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: The Attorney General has moved for the approval of contracts 1 through 32 excluding contract 10. The Secretary of State has seconded the motion. Any questions or discussion on the motion? All in favor say aye.

Attorney General: Aye.

Secretary of State: Aye.

Governor: Aye. Motion passes 3-0.

8. INFORMATION ITEM

Pursuant to AB 41 of the 2013 Legislative Session, the Clerk of the Board may approve all contract transactions for amounts less than \$50,000. Per direction from the August 13, 2013 meeting of the Board of Examiners, the Board wished to receive an informational item listing all approvals applicable to the new threshold (\$10,000 - \$49,999). Below is a list of all applicable approvals for contracts and amendments approved from August 19, 2014 through September 22, 2014.

#	DEPT #	STATE AGENCY	CONTRACTOR	FUNDING SOURCE	AMOUNT	EXCEPTIONS FOR SOLICITATIONS AND/OR EMPLOYEES
1.	030	ATTORNEY GENERAL'S OFFICE	SMITH, ALLISON M	OTHER: FEDERAL FUNDS 14-JAG-18	\$15,000	
	Contract Description:	This is the sixth amendment to the original contract, which provides services as a Drug Endangered Children's Coordinator. The coordinator responds to the needs of drug-endangered children, forms regional multi-disciplinary teams, facilitates public awareness and schedules community meetings throughout the State. This amendment increases the maximum contract amount from \$189,648 to \$204,648, due to an increase in scope of work.				
		Term of Contract:	11/01/2011 - 12/31/2014	Contract # 12731		
2.	040	SECRETARY OF STATE'S OFFICE	ADVANCED DATA SYSTEMS	FEDERAL	\$30,000	
	Contract Description:	This is a new contract for the development of web service program for the Secretary of State's Effective Absentee System for Elections, which will provide precinct voting information and services for 13 Nevada Counties, including: Churchill, Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey and White Pine.				

#	DEPT #	STATE AGENCY	CONTRACTOR	FUNDING SOURCE	AMOUNT	EXCEPTIONS FOR SOLICITATIONS AND/OR EMPLOYEES
		Term of Contract:	08/25/2014 – 06/30/2015	Contract # 16012		
3.	082	DEPARTMENT OF ADMINISTRATION – STATE PUBLIC WORKS DIVISION	HERSHENOW & KLIPPENSTEIN	OTHER: AGENCY FUNDED CIP – MILITARY FEDERAL FUNDS	\$32,350	
	Contract Description:	This is a new contract to provide professional architectural/engineering services to insulate shop walls at the Floyd Edsall Training Center, Project No. 14–A013–23, Contract No. 107924.				
		Term of Contract:	08/27/2014 – 06/30/2018	Contract # 16026		
4.	082	DEPARTMENT OF ADMINISTRATION – STATE PUBLIC WORKS DIVISION	GLASSCOCK, BILL J DBA ECONOMY WINDOW CLEANERS	FEES: BUILDING RENT INCOME FEES	\$45,000	
	Contract Description:	This is a new contract that continues ongoing window and carpet cleaning services at various state buildings in the Carson City and Reno areas, on an as-needed basis and at the request and approval of a Buildings and Grounds designee.				
		Term of Contract:	09/14/2014 – 09/13/2018	Contract # 15953		
5.	082	DEPARTMENT OF ADMINISTRATION – STATE PUBLIC WORKS DIVISION	RENO TAHOE FRANCHISING, INC. DBA JANI KING OF RENO	FEES: BUILDING RENT INCOME FEES	\$25,000	
	Contract Description:	This is the first amendment to the original contract, which continues ongoing janitorial services for the Bryan Building located at 901 S. Stewart Street, Carson City, Nevada. This amendment increases the maximum amount from \$187,640 to \$212,640 for additional work on the floors in the building.				
		Term of Contract:	02/01/2014 – 01/31/2018	Contract # 15957		
6.	082	DEPARTMENT OF ADMINISTRATION – STATE PUBLIC WORKS DIVISION	RENO TAHOE FRANCHISING, INC. DBA JANI KING OF RENO	FEES: BUILDING RENT INCOME FEES	\$25,000	
	Contract Description:	This is the first amendment to the original contract, which continues ongoing janitorial services to the Blasdel Building located at 209 East Musser Street, Carson City, Nevada. This amendment adds \$25,000 in extra services which increases the maximum amount from \$78,080 to \$103,080 for necessary flooring and grout repair.				
		Term of Contract:	02/01/2014 – 01/31/2018	Contract # 15197		
7.	082	DEPARTMENT OF ADMINISTRATION – STATE PUBLIC WORKS DIVISION	HERSHENOW & KLIPPENSTEIN	OTHER FUNDING: REALLOCATED BONDS TRANSFERRED FROM TREASURER	\$19,135	
	Contract Description:	This is the first amendment to the original contract, which provides professional architectural/engineering services for the Field Maintenance Shop (Washoe County Armory), Project No. 13–P04, Contract No. 88242. This amendment increases the maximum amount from \$736,700 to \$755,835 to provide for the revisions to the project's schematic design document, due to changes in the building and site. Changes are being made at the request of the Nevada Army National Guard.				
		Term of Contract:	12/03/2013 – 06/30/2017	Contract # 15121		
8.	082	DEPARTMENT OF ADMINISTRATION – STATE PUBLIC WORKS DIVISION	SUPERCURB & CONCRETE, LLC DBA SUMMERSCAPE	FEES: BUILDING RENT INCOME FEES	\$45,000	

#	DEPT #	STATE AGENCY	CONTRACTOR	FUNDING SOURCE	AMOUNT	EXCEPTIONS FOR SOLICITATIONS AND/OR EMPLOYEES
	Contract Description:	This is a new contract to provide services for snow removal, labor and material at various locations in Northern Nevada as requested by Buildings and Grounds. Contracted locations include: Department of Motor Vehicles Reno, Fleet Services Reno, Early Intervention Services Reno, Nevada Highway Patrol Reno, Purchasing Warehouse Reno and various buildings in Northern Nevada.				
		Term of Contract:	09/10/2014 – 08/31/2018	Contract # 16048		
9.	180	DEPARTMENT OF ADMINISTRATION – ENTERPRISE IT SERVICES	ENERSYS DELAWARE, INC.	FEES: USER FEES	\$46,530	
	Contract Description:	This is a new contract to provide services for installation of 96 each OPzV-2000-2V 2040 amp-hour batteries for the Spruce Mountain solar powered microwave communications site near Wells, Nevada, which includes installation of new batteries, installation of spill containment and removal/disposal of old batteries.				
		Term of Contract:	08/28/2014 – 02/28/2015	Contract # 16008		
10.	332	DEPARTMENT OF ADMINISTRATION – NEVADA STATE LIBRARY AND ARCHIVES	BRENNER, ALLAN DBA ALLAN ENTERPRISES	GENERAL	\$13,236	
	Contract Description:	This is the first amendment to the original contract, which continues ongoing maintenance for Kodak model #4800 Archive Writer. This amendment extends the termination date from September 30, 2014 to September 30, 2016 and increases the maximum amount from \$7,760 to \$20,996, due to the addition of two additional years of maintenance.				
		Term of Contract:	10/07/2013 – 09/30/2016	Contract # 15013		

#	DEPT #	STATE AGENCY	CONTRACTOR	FUNDING SOURCE	AMOUNT	EXCEPTIONS FOR SOLICITATIONS AND/OR EMPLOYEES
11.	402	DEPARTMENT OF HEALTH AND HUMAN SERVICES – AGING AND DISABILITY SERVICES DIVISION	CAPTIONS UNLIMITED OF NEVADA, INC.	GENERAL 25% FEDERAL 25% OTHER: PUC AND DETR 50%	\$12,000	
	Contract Description:	This is a new contract to provide Communication Access Real-time Translation/Transliteration services for public meetings supported by the Aging and Disability Services Division.				
		Term of Contract:	09/15/2014 – 09/15/2018	Contract # 16011		
12.	402	DEPARTMENT OF HEALTH AND HUMAN SERVICES – AGING AND DISABILITY SERVICES DIVISION	ESMERALDA, COUNTY OF GOLDFIELD UTILITY BOARD OF COMMISSION	OTHER REVENUE FROM COUNTY	\$20,000	
	Contract Description:	This is a new revenue contract that is ongoing and provides service to children with developmental disabilities and to the County to reimburse the Division of Aging and Disability Services Division for the non-federal share of funding as payment for services.				
		Term of Contract:	08/12/2014 – 06/30/2015	Contract # 16028		
13.	406	DEPARTMENT OF HEALTH AND HUMAN SERVICES – PUBLIC AND BEHAVIORAL HEALTH DIVISION	PERSHING, COUNTY OF PERSHING COUNTY LEPC	OTHER: REVENUE	\$35,834	
	Contract Description:	This is a new revenue contract that is ongoing and allows the division to receive the county assessment, in accordance with Senate Bill 471 of the 2011 legislative session, for services provided by the Health Division pursuant to chapters 439 (Administration of Public Health), 444 (Sanitation), 446 (Food Establishments) and 583 (Meat, Fish, Poultry and Eggs) of the Nevada Revised Statutes.				
		Term of Contract:	07/01/2013 – 06/30/2015	Contract # 16056		
14.	406	DEPARTMENT OF HEALTH AND HUMAN SERVICES – PUBLIC AND BEHAVIORAL HEALTH DIVISION	RFI ENTERPRISES INC DBA RFI COMMUNICATION & SECURITY	GENERAL	\$44,971	
	Contract Description:	This is a new contract to provide ongoing services to maintain a reliable security system at the Dini-Townsend Hospital. The contracted services include software upgrades for all security doors (if available), as well a maintenance tour of all building doors every six months to clean, adjust and test doors to assure they are operational and to replace system batteries as required.				
		Term of Contract:	007/21/2014 – 06/30/2017	Contract # 16006		
15.	406	DEPARTMENT OF HEALTH AND HUMAN SERVICES – PUBLIC AND BEHAVIORAL HEALTH DIVISION	H20 ENVIRONMENTAL, INC.	GENERAL	\$20,000	
	Contract Description:	This is a new contract to provide pick-up and disposal of hazardous pharmaceutical waste from the Northern Nevada Adult Mental Health Services pharmacy.				
		Term of Contract:	08/01/2014 – 06/30/2016	Contract # 15834		

#	DEPT #	STATE AGENCY	CONTRACTOR	FUNDING SOURCE	AMOUNT	EXCEPTIONS FOR SOLICITATIONS AND/OR EMPLOYEES
16.	431	ADJUTANT GENERAL & NATIONAL GUARD	HERSHENOW & KLIPPENSTEIN	FEDERAL	\$40,100	
	Contract Description:	This is a new contract to develop a manual to provide design guidelines to ensure consistency in the products and services used by the Nevada Army National Guard. The intent is to model after the State Public Works Board design guides, and specific architectural sections, tailoring the guide to meet the needs by the Nevada Army National Guard.				
		Term of Contract:	09/09/2014 – 08/01/2016	Contract # 16051		
17.	431	ADJUTANT GENERAL & NATIONAL GUARD	SYSTEMS PLUS, INC.	FEDERAL	\$13,000	
	Contract Description:	This is a new contract to provide services for computer programming and data collection/processing to update the requirements in the Real Property Planning and Analysis System (RPLANS). RPLANS is an automated master planning tool that gathers real property data, force structure data, planning criteria, and allowances from standard Army corporate databases. It is an integral part of the Army's legacy planning systems, along with the Facilities Planning System. The contracted services are for the Clark County Armories.				
		Term of Contract:	09/09/2014 – 12/30/2014	Contract # 16045		
18.	550	DEPARTMENT OF AGRICULTURE	M3 PLANNING DBA ONSTRATEGY	FEDERAL	\$33,630	
	Contract Description:	This is a new contract to provide the Food & Nutrition's Commodity Food Program with unbiased assistance in performing a state-mandated survey of its stakeholders and to perform a cost/benefit analysis of the results, resulting in a 5-year strategic plan for commodity food distribution in the State of Nevada.				
		Term of Contract:	09/18/2014 – 06/30/2015	Contract # 15877		
19.	580	PUBLIC UTILITIES COMMISSION	BT CONFERENCING VIDEO, INC.	FEEES: REGULATORY FEEES	\$48,354	
	Contract Description:	This is a new contract to provide on-site installation of an audio system in Carson City, NV.				
		Term of Contract:	09/08/2014 – 08/31/2015	Contract # 16052		
20.	704	DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES – PARKS DIVISION	LAS VEGAS PLUMBING, INC.	FEEES: UTILITY SURCHARGE	\$30,000	
	Contract Description:	This a new contract to provide service and repair of plumbing-related utilities in southern region parks, on an as-needed basis.				
		Term of Contract:	08/27/2014 – 08/01/2017	Contract # 16022		
21.	707	DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES – STATE LANDS	FIRST AMERICAN TITLE INSURANCE COMPANY	OTHER: STATE LANDS REVOLVING ACCOUNT	\$39,996	
	Contract Description:	This is a new contract to provide title and escrow services to support various divisions of State Lands programs related to disposal and acquisition of State parcels and other land management activities in Clark County.				
		Term of Contract:	09/05/2014 – 06/30/2018	Contract # 16047		

#	DEPT #	STATE AGENCY	CONTRACTOR	FUNDING SOURCE	AMOUNT	EXCEPTIONS FOR SOLICITATIONS AND/OR EMPLOYEES
22.	748	DEPARTMENT OF BUSINESS AND INDUSTRY – REAL ESTATE DIVISION	GREATER LAS VEGAS ASSOCIATION OF REALTORS, INC.	OTHER: B&I EDUCATION AND RESEARCH FUND	\$11,780	
	Contract Description:	This is the first amendment to the original contract, which provides continuing education credits required by licensees to renew their licenses. The course, developed by the division to cover new laws and other mandatory topics, and approved by the Real Estate Commission, is currently being offered by the contractor. The purpose of the contract remains unchanged. This amendment increases the maximum amount from \$5,400 to \$17,180 because licensee registrations to the course exceeded expectations and the original contract amount of \$2,700 per fiscal year was insufficient.				
		Term of Contract:	06/27/2013 – 06/30/2015	Contract # 14618		
23.	748	DEPARTMENT OF BUSINESS AND INDUSTRY – REAL ESTATE DIVISION	STEVEN KITNICK	FEDERAL	\$5,780	
	Contract Description:	This is the first amendment to the original contract, which provides continuing education credits required by licensees to renew their licenses. The course, developed by the division to cover new laws and other mandatory topics, and approved by the Real Estate Commission, is currently being offered by the contractor. The purpose of the contract remains unchanged. This amendment increases the maximum amount from \$5,400 to \$11,180 because licensee registrations to the course exceeded expectations and the original contract amount of \$2,700 per fiscal year was insufficient.				
		Term of Contract:	07/01/2013 – 06/30/2015	Contract # 14620		
24.	810	DEPARTMENT OF MOTOR VEHICLES	BENNET, JOY DBA CUSTOM CLEAN	HIGHWAY	\$30,160	
	Contract Description:	This is a new contract to provide needed janitorial services at the Ely facility.				
		Term of Contract:	08/26/2014 – 07/30/2018	Contract # 16009		
25.	901	DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION – REHABILITATION DIVISION	CHIEF SEPTIC AND SEWER, LLC	OTHER: BUSINESS ENTERPRISES SET ASIDE	\$10,000	
	Contract Description:	This is a new contract that continues on-going, as-needed maintenance and repair services, including but not limited to cleaning, deodorizing and unclogging grease traps and grease interceptors at Business Enterprises of Nevada locations in Southern Nevada.				
		Term of Contract:	08/29/2014 – 06/30/2016	Contract # 15898		
26.	902	DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION – EMPLOYMENT SECURITY DIVISION	MYTHIC, INC.	FEDERAL	\$29,403	
	Contract Description:	This is a new contract to provide management and execution of the installation and configuration of the Oracle Exadata database servers in Carson City and Las Vegas. Mythics will provide the following services under this contract: 1) Project management of the Oracle Exadata hardware installation at DETR's Carson City and Las Vegas sites. 2) Review configuration process. 3) Assist with completion of Exadata configuration template. 4) Configuration of Exadata software and hardware. 5) Configure shared storage, logins & network IP addresses. 6) Create a cell, cell disks and grid disks. 7) Install the Oracle database software including Automated Storage Management (ASM) and Cluster Ready Services (CRS). 8) Install required database patches. 9) Create ASM disk group for Oracl Exadata storage server software. 10) Create Oracle default database. 11) Provide detailed engagement report.				
		Term of Contract:	08/20/2014 – 12/31/2014	Contract # 15990		

#	DEPT #	STATE AGENCY	CONTRACTOR	FUNDING SOURCE	AMOUNT	EXCEPTIONS FOR SOLICITATIONS AND/OR EMPLOYEES
27.	902	DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION – EMPLOYMENT SECURITY DIVISION	CLARK COUNTY SCHOOL DISTRICT	OTHER: CAREER ENHANCEMENT PROGRAM	\$25,600	
Contract Description:		This is a new interlocal agreement to provide for the subsidized funding of the Governors Workforce Investment Boards Information Technology Sector Council – Microsoft IT Academy Pilot Project for Clark County School District, to support the workforce development initiatives of the industry for economic diversification in Nevada.				
		Term of Contract:	08/01/2014 – 06/30/2015	Contract #	16002	

Comments:

Governor: We'll move on to Agenda Item No. 8, Information Item.

Clerk: Thank you, Governor. As we've been doing the last several months now, these are contracts under the \$50,000 threshold or where an amendment doesn't take a previous contract over the \$50,000 threshold. I would be happy to answer any questions.

Governor: I've reviewed these and have no questions. Board members? No questions.

9. INFORMATION ITEM

A. Department of Employment, Training and Rehabilitation – Rehabilitation Division

The Rehabilitation Division has provided the Board of Examiners' with an annual report on Provider Agreements that summarizes the amount expended for state fiscal year 2014.

Comments:

Governor: We'll move on to Agenda Item No. 9, Information Item for the Department of Employment Training and Rehabilitation. I have no questions with regards to this item. Do either of the members of questions?

10. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS

Comments:

Governor: Hearing none, we will move to Agenda Item 10, Public Comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Anyone present in Las Vegas that would like to provide comment to the Board?

***11. FOR POSSIBLE ACTION - ADJOURNMENT**

Motion By: Attorney General Seconded By: Secretary of State Vote: 3-0

Comments:

Governor: Hearing none, is there a motion for adjournment?

Attorney General: Move to adjourn.

Secretary of State: Second the motion.

Governor: Attorney General has moved for adjournment. The Secretary of State has seconded the motion. All in favor say aye.

Secretary of State: Aye.

Governor: Aye.

Attorney General: Aye.

Governor: Motion passes 3-0. This meeting is adjourned. Thank you, ladies and gentlemen.

Respectfully submitted,



JULIA TESKA, CLERK

APPROVED:



GOVERNOR BRIAN SANDOVAL, CHAIRMAN



ATTORNEY GENERAL CATHERINE CORTEZ MASTO

SECRETARY OF STATE ROSS MILLER

**Public Comment
Submitted to the
October 14, 2014
BOE Meeting**

Date: October 10, 2014

To: Nevada Board of Examiners

From: Kent M. Ervin 

Subject: Recordkeeping contract for the Nevada Public Employees Deferred Compensation Program

I am a NSHE employee and an active participant in the Nevada Deferred Compensation Program (NDC). A substantial portion of my voluntary retirement savings is invested in the NDC 457 plan, so its operation is important to me. Since 2006 I have been a faculty representative on the NSHE Retirement Plan Advisory Committee, which advises Chancellor Klaich on our separate retirement plans. That role informs my understanding of defined contribution retirement plans, but I am representing only myself.

The NDC website announced that their new recordkeeping contract would be on the agenda for the Board of Examiners meeting of 10/14/2014, but it apparently has been removed. That is unfortunate.

Two years ago I harshly criticized ([12/5/2012 NvBoE meeting packet](#), p. 18) the NDC Committee for its failed 2012 Request for Proposals (RFP) process, which resulted in the withdrawal of the RFP amid threatened litigation and a two-year extension of the incumbent recordkeeper contracts (now in their seventh years). That action cost participants \$1.9 million or more in 2013 alone in higher fees and reduced interest crediting rates, versus the highest-scored 2012 proposal.

I have continued to follow the actions of the NDC Committee. I am happy to observe that this year the NDC program conducted a thorough, valid, and defensible RFP process led by the State Purchasing Office. The Committee wisely chose, in an open transparent process, to go to a single recordkeeper to leverage higher service at lower cost for participants. *The Board of Examiners should formally approve NDC's new contract with the legitimate winner of the RFP, namely ING/Voya Financial, regardless of lobbying by and protests generated on behalf of the other incumbent, MassMutual.*

I have no personal loyalty to any provider company. In fact, I transferred my 457 assets from ING to MassMutual in early 2013 because MassMutual was providing lower fees on index mutual funds. I have reviewed the now-public proposals from both vendors, however, and it is clear to me that ING/Voya submitted the stronger bid on both services and pricing. It is

disconcerting that MassMutual filed an appeal of the RFP decision (since dismissed), and that their appeal summary of the MassMutual and ING cost proposals was so misleading that it simply was not an honest comparison. Because a knowledgeable person evaluating the full proposals would not be fooled, I can only suspect that the statements in the appeal were actually intended to influence participants or the members of the Board of Examiners. MassMutual has a history of using a political process to circumvent results of a negative RFP decision (Las Vegas City Council minutes, May 15, 2013, agenda items 10, video 0:56-1:01, and 55, video 1:39-4:35). No company should be allowed to use lobbying efforts to obstruct normal state procurement and contracting procedures. Why would any other company bother to bid in the future if the process is perceived as fixed in favor of one company?

The future health of the Nevada Deferred Compensation Program depends on a successful RFP process and award of the contract. Interference with the process is a breach of the State's fiduciary duty to act in the best interest of participants as would be determined by an independent expert. Extending the old contracts, if that is even legal, would cost me and other participants and reduce our future retirement income.

Thank you for the opportunity to provide my input on this issue.