

Lease contracts must be ratified by appropriate official action of the governing body of each party to the contract as a condition precedent to its entry into force. Lease contracts ranging in cost from zero to \$1,999 require approval of the agency head; lease contracts ranging in cost from \$2,000 to \$9,999 require the approval of the Clerk of the Board of Examiners, or designee, on behalf of the Board of Examiners; lease contracts totaling \$10,000 or more require the approval of the Board of Examiners.

0330 Minor Remodeling, Repair, and Maintenance Contracts

Contracts are required for all minor remodeling, repair and maintenance work and must be submitted to and approved by the Board of Examiners unless exempted in **SAM 0326**.

Contractors, as defined by [NRS 624](#), must be licensed before they can submit a bid or proposal on any minor remodeling, repair and maintenance work, pursuant to [NRS 624.700](#) unless specifically exempt under [NRS 624.031](#).

All buildings requiring minor non-structural remodeling, repair and maintenance work requiring the use of outside labor and having an estimated cost of less than \$5,000 that will NOT be executed by the Public Works ~~Board~~ [Division](#) may be negotiated by the agency controlling the building. (**SAM 1908**) Where the building is under control of the ~~Buildings and Grounds~~ [Buildings and Grounds Section of the State Public Works](#) Division, see **SAM 1004**.

All non-structural repairs costing more than \$5,000 and less than \$25,000 must have at least three bids or proof that the bids have been requested from at least three firms. All project requirements and specifications must be submitted in writing to all prospective bidders.

Exception: On jobs the agency estimates to cost between \$5,000 and \$25,000, the agency may negotiate work on a time and material basis if it submits statements by at least two reputable firms licensed to perform the work that the job cannot be bid.

Non-structural remodeling, repair and maintenance work is defined as work estimated to cost less than \$25,000 for which an agency has budgeted funds, and which does not affect the safety of the building and does not change, in any manner, its structural elements. If an agency has questions, it should contact the Public Works ~~Board~~ [Division](#).

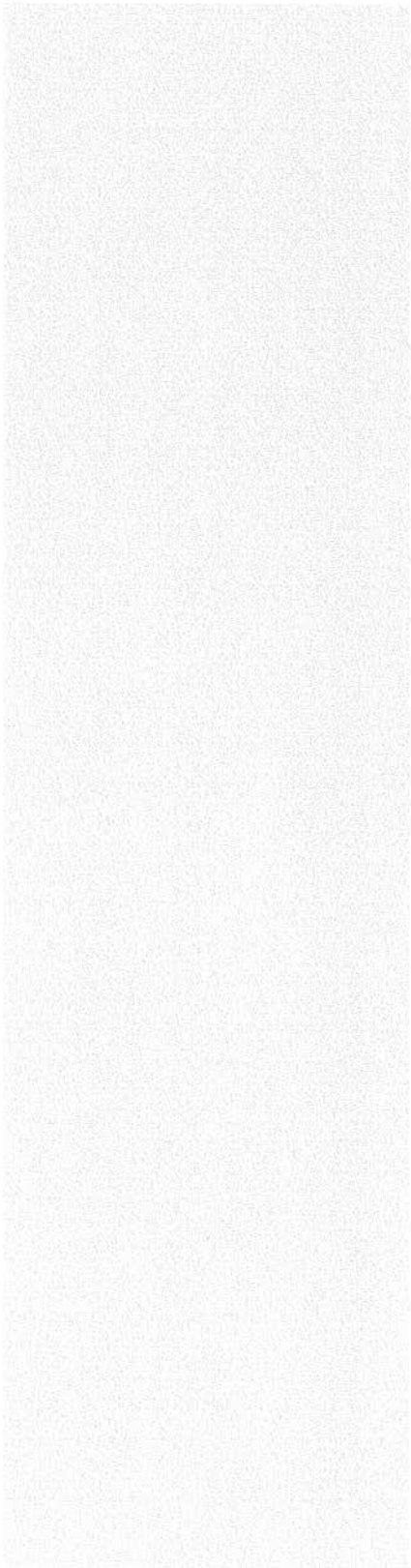
Examples of jobs that may be included under this section, and requiring contracts, are as follows:

1. Asphalt repair
2. Electrical repairs
3. Floor refinishing/repair
4. Landscape services
5. Painting of buildings/rooms
6. Plumbing repairs
7. Repair of heat plant boilers over \$15,000.00
8. Repair of refrigerators/freezers
9. Repair/replacement of air conditioners over \$15,000.00
10. Repair/replacement of bathroom tiles
11. Replacement of broken windows

12. Exterminator services

13. Maintenance and/or repair of elevators

Solicitation Requirements: Refer to **SAM 0338**.



0326 Independent Contracts Not Requiring Board of Examiners' Review

The following types of contracts need not be filed with or approved by the Board of Examiners:

1. Contracts executed by the Department of Transportation for any construction or reconstruction of highways.
2. Contracts executed by the **State Public Works Board** ~~Board~~ Division or any other department or agency for any construction or major repairs, which includes without limitation anticipatory repairs such as remodeling or maintenance, of State buildings, or State improvements (i.e., dams, boat ramps, camp grounds), including its leaseholds, if the contracting process was controlled by the rules of open competitive bidding. (**SAM 0338 and 1908**)
3. Contracts executed by the Housing Division of the Department of Business & Industry.
4. Contracts executed with business entities for any work or maintenance or repair of office machines and equipment. (Does not include computer hardware, computer hardware maintenance and computer software, or items listed in **SAM section 0330**)
5. Contracts entered into by the Nevada System of Higher Education.
6. Contracts for similar services provided by the same contractor within the same fiscal year which if combined would not exceed \$1,999.
7. Repair, replacement and installation of parts on automobiles and light trucks, including aircraft, heating and air conditioning refer to **SAM 1552**
8. Computer software maintenance that consists of the following: license agreements, right to download updates remotely and/or off site technical support.

0328 Lease Contracts

State Offices - The ~~Chief of the Buildings and Grounds~~ Administrator of the State Public Works Division has the authority to lease and equip office rooms outside of State buildings whenever sufficient space cannot be provided within State buildings. No such lease may extend beyond the term of one (1) year unless it is reviewed and approved by the Board of Examiners. (**NRS 331.110**). The Attorney General shall approve each lease entered into pursuant to this section as to form and compliance with law.

Land - The Division of State Lands acquires and holds all lands and interests in land owned or required by the State except:

1. Lands or interests used or acquired for highway purposes;
2. Lands or interests the title to which is vested in the Board of Regents of the Nevada System of Higher Education.
3. Office buildings leased by the ~~Chief of Buildings and Grounds~~ Administrator of the State Public Works Division; or
4. Lands used or acquired for the Legislature or its staff.

Equipment - The Purchasing Administrator has sole authority to contract for equipment unless otherwise specifically provided by law (**NRS 333.150**). Agencies requiring equipment lease contracts should contact the Purchasing Division. (**SAM 1500**)

0504 Insurance and Self-Insurance

1. Property Insurance - This program combines self-funding and commercial insurance to provide blanket coverage on all State-owned buildings and contents; the contents of leased buildings for all physical loss or damage except as specifically excluded by the commercial property insurance policy; and contractor's and mobile equipment. Property losses are subject to a \$1,500 per occurrence deductible. The Risk Manager may increase the deductible at a specific location, with due notice to the agency, if an agency fails to implement loss prevention recommendations made by the commercial insurer, in a timely manner, that would prevent or minimize a loss. A \$100 deductible is applicable to the Governor's Mansion. Contractor's and mobile equipment losses are subject to a \$5,000 per occurrence deductible. Agencies must report all changes related to their properties, property values and locations to the Risk Management Division within 60 days of a move, completion of remodeling or construction projects, purchase of or a move to a new leased location. The State Public Works Board-Division shall notify Risk Management of all new construction projects at the beginning of the project and when they are completed or substantially completed and occupied. Building Plans must be submitted by SPWB-SPWD to the State's Property insurer for review in regard to the fire protection system and earthquake protection, prior to initiation of the construction project. Agency Heads are responsible to submit building plans to Risk Management for review by the State's property insurer when lease purchase construction projects are initiated. Facility Audit Reports from SPWB-SPWD Agencies are responsible to review assigned building contents values at all locations during the biennial budget preparation process and to report changes or requests for appraisals to Risk Management prior to September 1 of each even numbered year. Changes in properties covered or property values, except for new construction/purchases, that are not reported to the Risk Management Division within 60 days will not qualify for adjustments to agency budgeted costs for property insurance for the applicable budget cycle.
 - a. When reporting property information the following must be included:
 - b. Budget account number;
 - c. Department/division name;
 - d. Building name, if applicable;
 - e. Occupancy type (office, warehouse, dwelling, etc.);
 - f. Street address or mile marker;
 - g. City, zip code and contact phone number.

New construction and remodeling projects not handled by the State Public Works Board-Division must be reported to Risk Management by the affected agency including square footage of occupied space, upon completion of the project.

PROPERTY CLAIMS

- a. **REPORTING LOSSES:** Agencies must immediately report all losses and take prompt action to protect the property from further damage or loss. In the event of a loss estimated to exceed \$25,000, agencies must contact Risk Management within 48 hours. Risk Management will contact the State's property insurer, who will dispatch a claims adjuster to the scene. Damaged property must be retained and all evidence related to the loss preserved until inspected by an adjuster. Property losses must be reported using the Property Loss/Damage Report form available at <http://risk.state.nv.us> under the property link; if the loss involves

vandalism, theft, or other criminal activity, a copy of the police crime report must also be forwarded to Risk Management. Losses reported later than 90 days from the date of loss may not be covered. Losses that result from mysterious disappearance (no signs of forced entry or losses found during inventory) or resulting from known risks that have not been corrected may not be covered. Contested claims compensability determinations can be referred to the Risk Manager for review. The decision of the Risk Manager will be final and binding.

- b. MAKING REPAIRS: Agencies are responsible to affect the repair or replacement process by contacting the appropriate parties as soon as possible. These contacts might include Buildings & Grounds Buildings and Grounds Section of the State Public Works Division maintenance staff, State Purchasing Division, State Public Works Section of the State Public Works Board Division, State Budget Office or outside contractors or vendors (following Purchasing and State Public Works Board Division requirements). Construction to repair or replace a major structural loss (in excess of \$100,000) must be initiated within two years from the date of loss unless a written waiver is obtained from the Risk Manager.
- c. PAYING FOR A LOSS: Agencies are responsible for a \$1,500 per occurrence deductible or an alternate deductible identified by the Risk Manager. Risk Management will pay the lesser amount of the repair or replacement, excluding any betterment and subject to the exclusions contained in the commercial excess property insurance policy.
 - i. When an agency pays for the entire loss out of its budget, Risk Management will reimburse it, less the deductible, after receiving proof of repair/replacement and evidence that the invoices have been paid by the agency (e.g. copies of competitive bids, copies of paid invoices, Vouchers Payable and "3.0" Report, or canceled check).
 - ii. Risk Management can directly pay a repair/replacement vendor. In order to do this, it is necessary that Risk Management be forwarded a copy of related contracts or the original invoice and copies of all estimates, written documentation from the agency that the work has been completed in an acceptable fashion and the agency has paid Risk Management the appropriate deductible. However, it is the responsibility of the agency to complete all necessary paperwork required to affect the repair or replacement of the damaged or destroyed items. This would include any contracts, purchase requisitions, etc. Risk Management can be identified as the contracting agency if the contract is reviewed and approved by the Risk Manager. In the case of purchase requisitions, agencies should complete the form, except for the budget coding sections and the authorization signature and forward to Risk Management for completion.
 - iii. Repairs or replacement for significant structural property losses (exceeding \$25,000) must be coordinated with the Risk Management Division and the State Public Works Board Division, unless a specific waiver is approved by the Risk Manager.
- d. EMPLOYEE PERSONAL PROPERTY LOSS: State employees' personal property kept or maintained on State property will be considered to be "at their own risk" and to be covered by their own personal insurance.
- e. Fine Arts/Exhibit Coverage - Coverage for Fine Arts/Museum exhibits are provided for under the State's Commercial property and contents insurance policy and self funded program up to a sub-limit of \$10 Million, subject to certain exclusions. In order for the Institution (agency) to obtain coverage for that specialized property, agencies should provide an inventory of items and loan agreement with agreed values (if applicable) for the covered exhibit(s).

Claims filed under the commercial policy are subject to a policy deductible of \$25,000. Agencies are responsible for a \$1,500 deductible per occurrence. All losses should be reported to Risk

Management as soon as possible, but not more than 90 days from the date of the loss. Reports of losses received beyond 90 days from the date of loss will not be covered. Mysterious disappearance losses (no sign of forced entry) or losses discovered during inventory may not be covered. When a loss involves vandalism, theft, or other criminal activity, a copy of the police crime report must also be forwarded to Risk Management.

For those pieces with a covered value greater than \$25,000, the agency must keep the item until the outside insurance adjuster or other designated representative from Risk Management has had an opportunity to inspect it. All items that are not able to be repaired become property of the insurance company or State Risk Management. Items paid under the State's self-insured property program must be delivered to Risk Management and will be destroyed to prevent any future resale after full payment for the item is made to the Artist and/or Agency.

2. **Boiler and Machinery** - Provides blanket coverage for damage to boilers, pressure vessels, etc. at State-owned locations. Agencies are responsible for a \$10,000 deductible. All losses must be reported to Risk Management immediately (within 48 hours) and all damaged equipment must be kept until Risk Management or its designee has had an opportunity to inspect it.
3. **Computer Insurance** - Coverage for computer loss exposures is provided for under the property and contents insurance policy. Agencies are responsible for a \$2,500 deductible per occurrence. All losses should be reported to Risk Management as soon as possible, but not more than 90 days from the date of the loss. Reports of losses received beyond 90 days from the date of loss will not be covered. Mysterious disappearance losses (no sign of forced entry) or losses discovered during inventory may not be covered. When a loss involves vandalism, theft, or other criminal activity, a copy of the police crime report must also be forwarded to Risk Management. If an agency experiences repeated or multiple losses due to inadequate security or protection of equipment, deductibles may be adjusted or claims denied with due notice. All damaged equipment must be kept until the insurance company adjuster has had an opportunity to inspect it.

4. Commercial Crime Insurance - A Public Employees' Blanket Bond provides \$6,000,000 coverage, subject to a \$250,000 agency deductible for loss caused by any fraudulent or dishonest act committed by an employee acting alone or with others. The policy covers all employees except: those required by statute to furnish an individual bond; and employees of the Nevada System of Higher Education. Coverage for specific employees is automatically terminated upon discovery of their involvement in any dishonest act during current or prior employment, or having been canceled under a prior bond. Potential claims must be reported to the Risk Manager as soon as possible so that reimbursement may be sought from the insurer.
5. Claims Procedures: Due to the sensitivity of an alleged employee dishonesty claim, the Risk Manager must immediately be notified of any potential claim. The Risk Manager will coordinate with the Attorney General's Office prior to filing a claim for losses with the insurance company. Aircraft Liability and Hull Insurance - Provides liability coverage on owned and non-owned aircraft, and physical damage coverage on fixed wing aircraft on scheduled craft, subject to various deductibles.
6. Watercraft - Liability protection for all State-owned watercraft is provided through the Attorney General's Office, as part of the self-funded tort claims liability program. There is no separate premium charge for this coverage. Liability claims relating to watercraft should be reported to the Attorney General's Office. Watercraft, related trailers and equipment may be covered for physical damage, subject to a \$1,500 per occurrence deductible. This physical damage hull coverage, which is self-funded through the Risk Management Division, is optional and must be elected by any agency desiring coverage. Agencies should contact Risk Management to place this coverage.
7. Workers' Compensation - Pays compensation, medical and other benefits for job related injuries and illnesses subject to the requirements of NRS 616 and 617. Please refer also to SAM Section 0524.
8. Automobile Physical Damage - The State of Nevada self-funds its automobile physical damage exposures - there is no insurance company involved. As such, it is very important that agencies do as much as possible to minimize the cost of this program. The Risk Management Division will provide assistance and guidance, upon request, to agencies to help minimize costs and secure timely repairs to damaged vehicles. Outstanding claims will be reviewed every 30 to 60 days and followed-up as necessary. Agencies are billed for this coverage at the beginning of the fiscal year and again (for any changes which may have occurred throughout the year) before the end of the fiscal year.
 - a. WHICH VEHICLES ARE COVERED? - Coverage for State-owned automobile physical damage (i.e. comprehensive and collision losses) is not required, but is offered as an option. Agencies must elect this coverage if they want their vehicles insured under this program. Certain vehicles, which are being commercially leased, on a long-term basis, may also be eligible for coverage under this program. Only vehicles for which this option has been elected will have their claims paid. Agencies not electing this coverage will be responsible for the entire amount of any loss to their vehicle. All State owned motor vehicles must be covered for automobile liability via the self-funded auto liability program, administered through the Attorney General's Office.

- b. **HOW TO ADD OR DELETE A VEHICLE** - Upon acquisition of a new vehicle, agencies have 31 calendar days during which time physical damage coverage will be automatically in force. Should a claim be filed on such a vehicle, the claim (subject to applicable deductibles) will be paid by Risk Management and premium for self-funded physical damage insurance will be assessed retroactively back to the date of acquisition. When agencies turn in vehicles to State Purchasing, insurance coverage will not be dropped until such time as the vehicle has been sold or until it has been reassigned to another State agency. Claims filed on newly acquired vehicles, which have not been added to the insured vehicle schedule after 31 days, will not be paid by Risk Management and will be returned to the agency for their handling.
- i. Agencies should send all changes (additions, deletions, coverage changes) for physical damage coverage and liability coverage to the Attorney General's Office, Tort Claim Unit (tel.: 775-684-1263). Premium is assessed based on the date of acquisition. Even though the Risk Management Division administers the self-funded physical damage program, the Attorney General's Office maintains the master data base on the self-funded automobile fleet. Changes should be reported in writing and should include:
1. Year of the vehicle
 2. Make of the vehicle
 3. Model of the vehicle
 4. Vehicle ID Number (VIN)
 5. License Plate Number
 6. Agency Name
 7. Agency Budget Account Number
 8. Type of change requested (e.g., add, delete, other changes)
 9. Effective date of the change
 10. Name and Telephone Number of Contact Person
- c. **DEDUCTIBLES** - Insured vehicles claims, other than Nevada Highway Patrol, are subject to a \$300 deductible for collision and comprehensive losses. Insured vehicles with the Nevada Highway Patrol are subject to a \$500 deductible, effective January 1, 2002. Deductibles will be waived or reimbursed if another party caused the damage and Risk Management recovers the total amount of the loss. Alternate deductibles may be established, with due notice, at the discretion of the Risk Manager to promote loss prevention.
- d. **EXCLUSIONS** - Claims will be denied if investigation reveals that the vehicle was not being used in the course and scope of employment or if the employee does not possess a current valid driver's license or the employee was under the influence of alcohol, illegal drugs or prescription drugs with driving restrictions at the time of an accident, or the employee violates provisions within Nevada statutory or state administrative codes and the agency does not have or enforce adequate internal controls and procedures to prevent this type of activity. The Risk Manager will have the discretion to waive this exclusion if exceptional circumstances are presented. If a decision is made to cover the physical damage costs under these circumstances, the Risk Manager will seek reimbursement from the employee.
- e. **REPORTING PROCEDURES** - Agencies must report any physical damage to covered vehicles that exceeds deductible amounts to the Risk Management Office as soon as possible, but not later than 90 days from the date of damage. Reports must be made utilizing the Vehicle Accident Form (Form RSK-001-available on our website), filled out as completely as possible and accompanied by three repair estimates. It is the responsibility of the agency to secure and forward to the Risk Management Office all police reports that relate to a claim.

Claims involving another party, which could possibly result in a claim against the State, must also be reported to the Tort Claims Administrator in the Attorney General's Office.

- f. **GLASS REPAIRS** - If the damage is such that a repair, rather than replacement, will take care of the damaged glass, agencies are encouraged to make the repair. These repairs usually cost between \$30 and \$50 and are 100% reimbursable. Multiple estimates are not required for glass repairs and the usual \$300 comprehensive deductible is waived.
- g. **GLASS REPLACEMENT** - The State of Nevada has agreements with several preferred vendors in various regions across the State. These agreements are intended to provide the State with consistently competitive pricing and reduce the administrative burden on State agencies.

Agencies utilizing these vendors will not be required to obtain competitive bids for automobile glass replacement. For information regarding the participating vendors and other details of this program, please contact Risk Management. Agencies unable or unwilling to utilize preferred glass replacement vendors must obtain three (3) estimates for vehicle glass replacement and have the glass replaced for the lowest available cost.

Exceptions to this rule may be made on a case-by-case basis in rural areas where there are not three available vendors. Because of the nature of glass replacement claims, agencies may obtain telephone estimates for windshield and other vehicle glass replacements. However, these estimates should still be documented for the file. Reimbursement of claims not utilizing contracted vendors must be made using a Windshield/Glass Loss Report Form RSK-001W, which also helps to document telephone estimates. These forms are available from Risk Management.

- h. **NUNMBER OF BIDS COLLISION DAMAGE** - When a State vehicle has been damaged in a collision, it is the responsibility of the owner-agency to secure three (3) estimates for the repair of the vehicle, unless a waiver is received from the Risk Manager due to unique circumstances including but not limited to remote rural locations or specialty work. The repair must be made using the lowest responsible bid. Reimbursements will be made based on the low bid, when applicable and cannot include State of Nevada sales tax. Agencies doing their own repairs will be reimbursed for parts only, subject to the applicable deductible amount. In cases where contracts are required for repair work pursuant to State Purchasing guidelines and requirements, and the affected agency does not have sufficient funds to execute a contract for the repairs, Risk Management may advance the funds for the loss, less the appropriate deductible, to the agency. Any unused funds that were advanced to an agency must be returned to Risk Management as soon as possible.
- i. **ANOTHER PARTY IS LIABLE FOR THE DAMAGE** - If the vehicle is insured by the State for loss against physical damage, Risk Management is available to assist agencies with recovering from the at-fault third party. When another party is responsible for the damage to a State vehicle, Risk Management will work with the involved agency and deal directly with the at-fault third party/his insurer for the repair of the damaged vehicle. In these situations the requirement to obtain three (3) estimates for repair of the vehicle may be waived. Risk Management would pay the loss and would then pursue recovery from the adverse party. If Risk Management makes full recovery from the adverse party, the agency would be reimbursed any deductible it may have paid. For claims that do not exceed the agency's deductible, the agency will work directly with the third party/his insurer for the repair and/or

recoveries of monies spent for the repairs to the damaged State vehicle. In cases where the damage is being taken care of directly by the other party's insurer, without going through Risk Management, agencies must still provide an informational summary, including an accident report and repair costs, of the loss to Risk Management

j. **PAYMENT TO VENDORS/REIMBURSEMENT TO AGENCIES –**

- i. If the agency pays for the entire loss out of its budget, reimbursement of expenses will be made by Risk Management directly to the agency, less the deductible, after receiving proof of repair/replacement, copies of the three (3) estimates, and evidence that the invoices have been paid by the agency (e.g. copy of paid invoices, Vouchers Payable, and "3.0" Report, or canceled check). Agencies doing their own repairs will be reimbursed for parts only, subject to the usual deductibles. Reimbursements are typically accomplished using a Journal Voucher (for those agencies in the State's accounting system) or a Voucher Payable/Check (for those agencies outside of the State accounting system).
 - ii. Risk Management can directly pay the vendor. In order to do this, it is necessary that we have the original invoice, written statement from the agency that the work has been completed in an acceptable fashion, copies of the three (3) estimates, and the agency has paid Risk Management the appropriate deductible amount. Risk Management must have the deductible before they can pay the vendor
- k. ~~TOTAL LOSS REPLACEMENTS~~ - An insured vehicle will be deemed to be a total loss when the cost to repair it (according to the low estimate) is 80% or more of the Kelly Blue Book (mid range) actual cash value (ACV). When this is done, Risk Management will pay the agency the ACV and any related expenses (e.g., towing) that the agency has paid, less any salvage recovery and deductible amounts. Agencies are responsible for securing a minimum of three (3) reasonable salvage bids. Vehicles may be salvaged via the State Purchasing Division, as well as through commercial salvage operations. For assistance with this process, contact Risk Management. Agencies are responsible to use these recovered funds for authorized expenditures only

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In the event a vehicle is "totaled", the agency must notify Purchasing (to remove the vehicle from the State inventory) and the Attorney General's Office (to delete the vehicle from self-funded insurance coverage). Agencies may decide to keep a totaled vehicle (usually for parts). When they do this, the high salvage bid will still be deducted from the ACV amount. If a vehicle has been totaled, it may not be insured for physical damage coverage in the future.

- l. **TOWING** - Towing charges related to an insured comprehensive or collision loss will be reimbursed, subject to the appropriate per claim deductible. Towing should be limited to getting the disabled vehicle to the repair shop or to the closest State facility where it can be stored until such time as a repair can be done or until the vehicle can be sold.
- m. **STORAGE** - Efforts should be made to minimize the cost of storage of a disabled vehicle in commercial storage areas. Reasonable storage costs (generally not to exceed 10 days) are a reimbursable expense. However, if the duration of storage is likely to be lengthy, the agency can request assistance from the Risk Management Division to move the vehicle to a State-owned property to minimize storage fees. The Risk Management Division will follow-up with agencies every 30 to 60 days to determine the status of the repairs. If excessive storage fees are being accumulated the agency head will be contacted for appropriate action.

- n. **REPLACEMENT VEHICLES/LOSS OF USE** - The State's self-funded automobile comprehensive and collision program does not provide for temporary replacement vehicles (i.e. rentals) while the damaged vehicle is being repaired or replaced.
 - o. **SPECIAL EQUIPMENT** - Equipment that is permanently attached to a vehicle is normally insured for physical damage as part of the vehicle, subject to the usual deductibles; examples of this would include such things as NHP light bars, external lights, fixed radios, etc. Other equipment that it is in the vehicle, but is not permanently affixed, is insured under the State's property insurance program (which is subject to a \$1,500 deductible). Some examples of this type of equipment includes: State provided (issued) firearms; cellular phones and portable two-way radios; laptop computers, etc. Vehicle operators should do whatever is prudent to secure the contents of their vehicle to protect them from damage or theft.
 - p. **PERSONAL VEHICLES** - When a personal vehicle is used on State business, and is involved in a collision, the employee will need to file a claim with their personal insurance carrier. Risk Management does not insure personal vehicles or reimburse for any collision deductibles.
 - q. **RENTAL VEHICLES** - Vehicles must be rented from companies with whom the Purchasing Division and State Motor Pool have negotiated overriding agreements. It is not necessary for the agency to purchase additional insurance when renting under those agreements as part of the negotiated contract rates, includes insurance coverage. As such, usage of the negotiated contracts is mandatory. Any agency renting outside those agreements will be responsible for their own insurance coverage and for any accident claims.
 - r. **LEASED VEHICLES** - There may be situations where it is in the best interest of the State for agencies to lease vehicles. When the lease agreement requires that the State insure these vehicles, it is the responsibility of the agency leasing a vehicle to notify the Attorney General's Office of the requirement for insurance coverage on the vehicle. As with State-owned vehicles, agencies must elect physical damage coverage (liability is mandatory) in order to be covered for these types of losses. Unless this coverage has been requested by the agency, damage to leased vehicles will not be paid by Risk Management; all physical damage costs and related expenses will be the responsibility of the agency.
9. **Contractor's and Mobile Equipment Insurance** - Agencies may insure their contractor's or mobile equipment (e.g., backhoes, graders, forklifts, dump trucks, and other large construction type equipment). Only equipment that is scheduled on the commercial property insurance policy is covered for loss against physical damage or theft. Agencies should contact Risk Management if this coverage is desired
10. **Excess Commercial General Liability Insurance** - Agencies are sometimes required (often as a requirement of property or equipment lease agreements) to obtain commercial general liability insurance coverage. This coverage typically provides limits that are higher than those afforded under the self-funded liability program and permit the lessor to be named as additional insured (which cannot be done under the self-funded program). The excess commercial general liability insurance is handled via the Risk Management Division. Agencies should contact Risk Management if this coverage is required.

11. Certificates of Insurance - In many business transactions (special events, equipment financing, property leasing, etc.), the State is required to provide proof of liability or property insurance. Contact Risk Management with the following information:
- a. For liability insurance, the name and complete address of the party requiring the certificate, the purpose for the document, dates for which coverage is required, additional insured requirements, if any;
 - b. For property insurance, the name and complete address of the party requiring the certificate, a description of the property to be insured, the complete physical address of where the property is located, the total dollar value of the property, loss payee requirements, if any. Risk Management will promptly arrange to have the evidence of insurance provided the requiring party.

1000 Buildings and Grounds Section of State Public Works Division

1002 Serving the Capitol

The Buildings and Grounds Division Section of the State Public Works Division provides maintenance and emergency services in the Carson City Capitol Complex as well as in Reno and Las Vegas.

1004 Scope of Services

The Buildings and Grounds Division Section is concerned with the safety, health and working conditions of all State employees. Its maintenance duties include carpentry, plumbing, electrical work, heating, ventilating and air conditioning.

The Buildings and Grounds Division Section is responsible for minor improvements and repairs not within the scope of the State Public Works Board Section of the State Public Works Division.

1006 Procedure for Service

Written requests for major repairs or services should be made in writing to the Division Section. For minor repairs, services or emergencies, in Reno or Carson City, telephone the Division Section at 775-684-1800 and in Southern Nevada telephone the Division Section at (702) 486-4300. If the emergency involves life safety call 911.

1008 Care of Buildings

Buildings, rooms, basements, floors, windows, furniture and appurtenances are to be kept clean, orderly and presentable as befitting public property. Conditions should be as such to reduce fire hazard to a minimum.

1010 Inspections

Division employees periodically inspect State-owned property.

1012 Maintenance, General

The Buildings and Grounds Division Section maintains all State buildings, grounds and properties not otherwise provided for by law.

1014 Janitorial Service

Most state-owned buildings are cleaned by a contracted janitorial service. Desks will be cleaned upon request only if all objects are removed from the desk surface. Janitors are under specific instructions not to clean those portions of the desks that have papers and/or objects left upon them.

1016 Craft Services

The Division Section performs electrical, carpentry, painting and plumbing services and maintenance. Division Section employees are skilled tradesmen and are assigned to repair duties accordingly. Some work, particularly extensive remodeling, may be contracted. Buildings and Grounds is authorized to charge a labor rate for all extra services requested by agencies, such as remodeling, moving, shelf building, etc.

1020 Leases

The Chief of the Buildings and Grounds Division Administrator of the State Public Works Division (hereinafter “the Division”) has authority to lease office space for State agencies and departments and approves and issues all leases for State leased office space (NRS 331.110). Leases that extend beyond a one-year term require approval of the Board of Examiners, see SAM 0336). When an agency determines a need for office space and has budget authority, a Space Request Form must first be completed and submitted to the Division’s Leasing and Contract Services Section Group. The Space Request Form is available from the Division’s website at http://bandg.state.nv.us (click on “Services” then “Leasing Program”). The Division will determine whether the agency will be housed in leased or State-owned space.

If leased space is selected and taking into consideration an agency’s particular needs and requests, the Division will locate potential sites for the agency to inspect. Once the location is selected, the Division will negotiate lease terms, prepare lease documents and obtain required approvals. Leased space requirements should be scheduled to allow time for the Division to accomplish the above. Additional time should be allowed depending on required tenant improvements. To cover this service, a percentage of the rental fee for leased space goes to the Buildings and Grounds Division Section.

At no time should the agency enter into negotiations with private building owners or their agents.

The exception to this **Section 1020** is a requirement for storage space. If the storage space does not involve staff being located at and utilizing office space within the storage unit, the rental agreement can be negotiated and approved (by following contract procurement procedures) directly by the requesting agency.

Note: The Division does not provide leasing services for the Nevada System of Higher Education, the Department of Public Safety, the Department of Motor Vehicles, Nevada Department of Transportation, and State Boards that are exempt from the state financial administration laws.

Comment [hrf1]: This was changed in the last session.

1022 Rent Charges for State Owned Buildings

The Chief of the Buildings and Grounds Administrator of the State Public Works Division determines the rent cost per square foot, the rentable area occupied by each agency and the total yearly charge to each agency. Each agency shall pay the appropriate amount to the Division's Section's operating fund.

The lease rate is expressed as a cost per square foot per month. This is the most common manner of expressing lease or service charges and provides comparability with non-state owned buildings costs. All state owned buildings have the same lease rate. Non-state owned buildings vary as to price depending on location, amenities, physical condition and age. Contact the Division if there are any questions on lease costs of a particular building.

1024 Office Space

The Buildings and Grounds Division Section must supply suitable and sufficient office space for all State agencies and officials. Agency needs should be brought to the attention of the Division.

Administrative officials should make every effort to efficiently utilize all space available to them.

1026 Protection of State Property

The Chief of the Buildings and Grounds Administrator of the State Public Works Division with the assistance of the Department of Public Safety's, Capitol Police have the authority to prevent any unlawful activity or damage to any State property under his/her supervision and control to protect the safety of any persons on that property. ([NRS 331.140](#))

1028 Energy Conservation

The Division Section has an energy conservation program involving State-owned and leased buildings. The following guidelines are to be followed:

1. Building temperature should be kept at a maximum of 68° F in the winter and a minimum of 78° F in the summer; and
2. General office ambient lighting levels are to be kept between 25 and 60-foot candle power. Desk top levels in the range of 50 to 70 foot candles may be attained through the use of task lighting if needed.

Buildings will be heated or cooled to 55°F and 85° respectively and lighting reduced to minimum safe levels during weekends and after regular office hours unless specifically approved by the Chief of the Buildings and Grounds Administrator of the State Public Works Division.

Division Section employees make periodic inspections of buildings to insure that energy policies are being enforced. Portable space heaters will not be allowed unless authorized by the Division.

1030 Energy Information and Assistance

The Buildings and Grounds Division Section upon request, will provide information and assistance to any agency, bureau, commission, department or division engaged in the management, planning, utilization and distribution of energy.

1032 Recycling of Aluminum Cans

Until such a time as the contract provisions described in **SAM 0333** require a vendor to provide for the recycling of aluminum cans, the division shall provide for the collection and recycling of aluminum cans in State buildings having a vending machine that dispenses soft drinks in aluminum cans

1900 Public Works ~~Board~~ Division

1902 General

The State Public Works Division consists of the Administrator, the State Public Works Board, the Public Works Section, and the Buildings and Grounds Section. The State Public Works ~~Board~~ Division consists of the Director of the Department of Administration, ~~and 6-4~~ members appointed by the Governor, and 2 by the Legislature. The Board elects a Chairman and Vice-Chairman from among its members appointed by the Governor. ~~In addition, the Board appoints a Secretary Manager. The Secretary Manager appoints the Deputy Managers with the approval of the Board. The appointed~~ Appointed Division staff is responsible for the management of the daily affairs of the Division and the Board.

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The ~~Division and the~~ Board ~~is-are~~ responsible for developing the Capital Improvement Program and ~~the Board~~ recommends to the Governor the priority of all proposed projects. The ~~Board's~~ Division's staff supports the Governor in providing the Governor's recommendation to the Legislature.

The ~~Board~~ Division also provides all State departments, boards and commissions with architectural and engineering services for the construction of any building constructed on State property or on property held in trust for any division of State government or for which money has been appropriated by the Legislature or allocated by the Interim Finance Committee, except buildings used in maintaining highways, and improvements, other than nonresidential buildings with more than 1,000 square feet in floor area, made in State parks by the State Department of Conservation and Natural Resources or by the Department of Wildlife. All departments, boards or commissions are required and authorized to use such services for new building construction, remodeling or major repairs. (NRS 341.153 and 341.141)

Services may consist of:

1. Advance planning;
2. Designing;
3. Estimating of costs;
4. Preparation of bidding documents;
5. Project management and Inspection of construction work; and
6. Building official for State-owned facilities.

The ~~Board~~ Division may retain private-practice architects and engineers to prepare bid documents if the ~~Board~~ Division deems such action desirable. The cost of such consulting services and the cost of all architectural and engineering services shall be charged against the appropriations made by the Legislature or other funds allocated to the project.

The ~~Board~~ Division may delegate its authority for project management services for some projects to other State agencies. All requests for Delegation of Authority shall be directed to the ~~Secretary~~ ~~Manager~~ Administrator. Any agency that receives Delegation of Authority from the ~~Board~~ Division must comply with NRS 338, including bidding and prevailing wage requirements.

1904 Capital Improvement Program

Before October 1 of each even-numbered year, the Board must submit ~~its~~ recommendations for capital improvement projects in the next biennium to the Governor. The ~~Administrator Board~~ supports the Governor's recommendations and prepares the Capital Improvement Program for Legislative approval. To develop its recommendations, every State department, board and commission is requested to submit its requests for new building construction; remodeling or major repairs. Included in their requests, all proposed work should include any maintenance, repair or replacement projects greater than \$300,000. All Americans with Disabilities Act (ADA), Roofing, Advance Planning, Underground Storage Tank, Mold Abatement and Indoor Air Quality projects should also be requested in the Capital Improvement Program. Proposed maintenance work such as painting, carpeting, drapes, are not considered capital improvements and should be requested in the agency operating budgets (SAM 2508). Interior improvements that include items like carpeting and drapes have code smoke and flame spread requirements and therefore are required to be submitted to the State Fire Marshal for approval. The Board-Division has developed a process by which an agency may request capital improvement funding. State agencies must timely coordinate with the Board-Division, and properly complete all required documentation in order to ensure that their capital improvement funding requests are considered. The failure of an agency to meet time deadlines or to properly complete all required documentation might result in the Board refusing to consider the request.

The Board-Division also has the authority to conduct advanced planning for future projects. The term "advanced planning" means receiving funding for specific studies, or receiving funding for numerous miscellaneous planning and/or study projects for which the need only becomes apparent during the biennium. Advanced planning is critical for an in depth study of the cost and feasibility of a project. It is the policy of the Board-Division to perform advance planning for projects with an estimated construction cost of \$10 Million or more. Any agency desiring to use the services of the Board-Division for advanced planning for a future project should contact the Board as soon as the need becomes apparent. At the discretion of the Board-Division, advanced planning funding may be available during the biennium. If advanced planning funding is not available during the biennium, the Board-Division may recommend to the Governor and to the Legislature specific funding for the advanced planning of an agency project. Timely coordination with the Board-Division is critical in obtaining advanced planning funding.

1906 New Construction

Except as otherwise specified in **Section 1902**, the Board-Division, has final authority to approve the architecture of all buildings, plans, designs, types of construction, major repairs and designs of landscaping. Except as otherwise specified in **Section 1902**, all State agencies shall submit to the Board-Division schematic level architectural designs for approval prior to advertising any project for bid or prior to instituting any other contractor procurement method. The Board-Division must review all architectural plans of State buildings if the project is to be constructed on land owned by the State or with funds appropriated by the Legislature. (NRS 341.145)

The Board-Division shall verify that all public buildings and facilities conform to ADA Guidelines. (NRS 338.180)

1908 Remodeling, Repairs, and Maintenance Work

Remodeling, repairs and maintenance work of a non-structural nature financed with agency operating funds and estimated to cost less than \$100,000 do not need the project management services of the **Public Works Board-Division** and may be made by the agency controlling the building. However, all remodeling projects, on State land or land held in trust for any division of the State government, must be reviewed by the **Public Works Board-Division** to ensure code compliance through plan check and inspection services. Non-structural alterations mean such alterations that do not affect the safety of the building and do not change, in any manner, its structural elements. See [SAM 0300](#) for contract and bidding requirements.

1910 Acceptance of Grants and Contracts

On projects requiring the services of the **Public Works Board-Division** and which have not been approved or authorized by the Legislature, the **Board-Division** is required to seek approval of the Interim Finance Committee before proceeding with the work. The **Board-Division** may, with the approval of Interim Finance Committee when the Legislature is not in regular or special session, or with the approval of the Legislature, by concurrent resolution, when the Legislature is in regular or special session, use grants of money for the design and construction of public buildings for which no appropriation has been made by the Legislature. Grants of money may also be used for the additional acquisition, design and construction of public buildings for which the original legislative appropriation made no provisions. ([NRS 341.121](#))

1912 Inspection of State Buildings

The **Board-Division** is required to periodically inspect all State buildings. Reports of such inspections, including findings and recommendations, shall be submitted to the appropriate State agency and annually to the Board of Examiners. As a result of the State Fire Marshal annual inspection of buildings, if an agency in charge of any State property fails to comply with an order of the State Fire Marshal for any change within 30 days, the Fire Marshal shall report such failure to the **State Public Works Board-Division** who shall take the necessary steps to correct the situation as ordered by the Fire Marshal. Inspections are of critical importance as they aid in the development of future request for capital improvement funding and serve to protect State employees and members of the public. The **Board-Division** has developed a Facility Condition Analysis Group to carry out inspections. The function of the **Board's Division's** Facility Condition Analysis Group is to coordinate a statewide series of inspections of State buildings relating to roofing, compliance with the Americans with Disabilities Act, fire safety and other issues relating to the safety of State employees and the general public. ([NRS 341.201](#) and [477.035](#))

1914 Building Official Role

Regardless of the source of funding, the **deputy administrator for compliance and code enforcement** **Deputy Administrator for Compliance and Code Enforcement** shall serve as the building official for all buildings and structures on property of the State or held in trust for any division of the State government. When acting as the **building official** **Building Official**, the **deputy administrator for compliance and code enforcement** **Deputy Administrator for Compliance and Code Enforcement** shall

have authority to issue stop work orders based upon reasons of health, safety, violations of building codes, other laws or regulations, or for failure to obtain an appropriate building permit from the Division. State employees and/or contractors performing the work may be subject to personal fines of up to \$1,000 for violating a stop work order and may also be subject to criminal sanctions. All agencies of the State shall coordinate with the Division in the design, construction, tenant improvements and remodels of buildings or structures subject to the requirements of this section. Coordination shall include obtaining approvals on all design work prior to advertising any project for bid or prior to the institution of any other contractor procurement method (2003, Chapter 404 and NRS 341.100(5)(h)). The ~~deputy administrator for compliance and code enforcement~~ Deputy Administrator for Compliance and Code Enforcement is the ~~building official~~ Building Official even for those projects exempted under **Section 1902** if they are constructed on State land.

Any construction activity on lands not owned by the State is governed by the local building jurisdiction. Approvals, permits and inspections may be required by the local building jurisdiction; therefore, it is advised that the agency contact them for their requirements.

The Division is a fee-based agency and therefore investigation, plan check, permit, and inspection fees are charged for those services. Early contact should be made with the Division prior to the institution of any new construction or remodeling projects.

1916 Emergency Contract Authority

If the ~~Board~~ Division determines that an emergency exists, a contract, or contracts, necessary to contend with the emergency may be let without complying with the provisions of NRS 338 (2003, Chapter 401). Any State agency believing that the condition of a State building or structure warrants the issuance of an emergency construction contract should immediately notify the ~~Secretary Manager of the Board~~ Administrator of the State Public Works Division.

2514 Operation and Maintenance for Capital Improvements

The proposed budget submitted to the Legislature must include a separate statement of the anticipated expense, including personnel, for the operation and maintenance of each capital improvement constructed during the current biennium and thereafter which is to be used during those fiscal years or future fiscal years. Included in the statement will be the proposed source of funding. If the preliminary proposal is approved, the agency may proceed with the development of a complete cost estimate for inclusion in the agency request. ([NRS 353.185\(6\)](#))

The construction of a capital improvement that is subject to the supervision of the **State Public Works Division and Board** may not be either included in the Governor's recommended capital improvement budget or construction begun for previously approved capital improvement projects unless the funding for the operation and maintenance of the improvement is included in the approved budget for the fiscal year in which construction is to be completed. ([NRS Chapter 341](#))

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