POLICY

No. 620

Board of Trustees
Douglas County School District

FINANCES

PERFORMANCE BASED CONTRACTING

The Board of Trustees supports the use of performance based contracts as one option to finance and implement capital projects that reduce the District's operating costs for energy, water, and other utilizes. A performance contract is a written agreement with a qualified service company for the evaluation, recommendation, and implementation of one or more operating cost-savings measures, as defined in NRS 332.300 to 332.440

This policy is adopted pursuant to NRS 332.362 to establish criteria for evaluating proposed capital improvement projects for their potential to be performed under a performance contract and to require annual reporting on such projects.

For purposes of this policy:

1. "Performance contract," "operating cost-savings measure," and "qualified service company" have the meanings set forth in NRS 332.300 to 332.350.
2. "Capital improvement project" includes projects involving District buildings or building systems that may reduce operating costs for energy, water, or other utilities, consistent with NRS 332.360.

This policy shall set forth the process for evaluating whether work to be performed on a building will be performed pursuant to a performance-based contract.

The superintendent or designee shall ensure that proposed capital improvement projects involving District buildings are evaluated for their suitability to be implemented through a performance contract. At a minimum, the evaluation criteria shall consider whether the project:

a. Consists primarily of one or more operating cost savings measures as defined in NRS 332.330 and 332.362(3); and
b. Is reasonably expected to generate operating cost savings sufficient to support a cost-effective performance contract structure, consistent with NRS 332.360 and 332.370.

Specific financial thresholds, minimum project sizes, and other evaluation procedures may be established in administrative regulation.

When evaluating a project that appears suitable for a performance contract, the Superintendent or designee may determine whether it is in the District's best interest to implement the project under an existing performance contract or to pursue a new performance contract, consistent with NRS 332.360 and applicable procurement requirements.

The Superintendent or designee shall maintain documentation of evaluations of capital improvement projects under this policy and the resulting recommendations regarding use of a performance contract.

Additionally, superintendent or its designee, shall prepare and submit an annual report on or before the date required pursuant to NRS 332.360 and 332.431, in the form and manner prescribed by law. The report shall address:

1. The status of each performance contract entered into pursuant to NRS 332.300 to 332.440;
2. Operating cost-savings measures identified in financial-grade operational audits submitted to the District pursuant to NRS 332.360 that were implemented under a performance contract during the reporting period; and
3. Operating cost-savings measures identified in such audits that were not implemented under a performance contract during the reporting period.

The District shall cooperate with the Nevada Office of Energy and other state agencies as required by NRS 332.340 and related guidance.

Reference: NRS Chapter 332, including NRS 332.300 – 332.440 and NRS 332.362; NRS 332.431.

Adopted: February 2015
Revised: March 26, 2026