

E AND R AMENDMENTS TO LB 461

Introduced by Ballard, 21, Chairman Enrollment and Review

1           1. Strike the original sections and insert the following new  
2 sections:

3           Section 1. Sections 1 to 19 of this act shall be known and may be  
4 cited as the State Procurement Act.

5           Sec. 2. Section 73-501, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7           ~~73-501~~ The purposes of the State Procurement Act ~~sections 73-501 to~~  
8 ~~73-510~~ are to establish a standardized, open, and fair process for  
9 selection of contracts ~~contractual services, using performance-based~~  
10 ~~contracting methods to the maximum extent practicable,~~ and to create an  
11 accurate reporting of expended funds for such contracts ~~contractual~~  
12 ~~services~~. This process shall promote a standardized method of selection  
13 for state contracts ~~for services~~, assuring a fair assessment of  
14 qualifications and capabilities for project completion or compliance with  
15 specifications. There shall also be an accountable, efficient reporting  
16 method of expenditures for these contracts ~~services~~.

17           Sec. 3. Section 73-502, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19           ~~73-502~~ For purposes of the State Procurement Act ~~sections 73-501 to~~  
20 ~~73-510~~:

21           (1) Contract includes any contract for services and contract for  
22 personal property;

23           (2) Contract for personal property means any contract entered into  
24 by the state with another party for a stated consideration, which  
25 provides that the state agency is to receive the personal property or use  
26 of such personal property furnished by the other party. Contract for  
27 personal property includes leases;

1           (3) ~~(1)~~ Contract for services means any contract that directly  
2 engages the time or effort of an independent contractor whose purpose is  
3 to perform an identifiable task, study, or report rather than to furnish  
4 an end item of supply, goods, equipment, or material;

5           (4) Cooperative agreement means a legal instrument reflecting a  
6 relationship between the State of Nebraska and any other entity where (a)  
7 the principal purpose of the relationship is to transfer a thing of value  
8 to the entity to carry out a public purpose of support or stimulation by  
9 law instead of acquiring property or services for the direct benefit of  
10 the State of Nebraska and (b) substantial involvement is expected between  
11 the State of Nebraska and the entity when carrying out the activity  
12 contemplated in the agreement;

13           (5) ~~(2)~~ Division means the materiel division of the Department of  
14 Administrative Services;

15           (6) ~~(3)~~ Emergency means necessary to meet an urgent or unexpected  
16 requirement or when health and public safety or the conservation of  
17 public resources is at risk;

18           (7) Grant agreement means a legal instrument reflecting a  
19 relationship between the State of Nebraska and any other entity where (a)  
20 the principal purpose of the relationship is to transfer a thing of value  
21 to the entity to carry out a public purpose of support or stimulation by  
22 law instead of acquiring property or services for the direct benefit of  
23 the State of Nebraska and (b) substantial involvement is not expected  
24 between the State of Nebraska and the entity when carrying out the  
25 activity contemplated in the agreement;

26           (8) ~~(4)~~ Occasional means seasonal, irregular, or fluctuating in  
27 nature;

28           (9) Personal property includes all materials, supplies, furniture,  
29 equipment, printing, stationery, automotive and road equipment, and other  
30 chattels, goods, wares, and merchandise;

31           (10) ~~(5)~~ Sole source means of such a unique nature that the

1 contractor selected is clearly and justifiably the only practicable  
2 source to provide the service or personal property. Determination that  
3 the contractor selected is justifiably the sole source is based on either  
4 the uniqueness of the service or personal property or sole availability  
5 at the location required;

6 (11) ~~(6)~~ State agency means any agency, board, or commission of this  
7 state, except for the University of Nebraska or the Nebraska state  
8 colleges. For purposes of procurement of services, state agency does not  
9 include ~~other than~~ the University of Nebraska, the Nebraska state  
10 colleges, the courts, the Legislature, or any officer or state agency  
11 established by the Constitution of Nebraska; and

12 (12) ~~(7)~~ Temporary means a finite period of time with respect to a  
13 specific task or result relating to a contract for services.

14 Sec. 4. Section 81-1118.05, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 ~~81-1118.05~~ The ~~materiel~~ division of the ~~Department of Administrative~~  
17 ~~Services~~ shall:

18 (1) Establish by rules and regulations a process for resolving  
19 complaints from both vendors and state agencies;

20 (2) Maintain a record and written justification of purchases as  
21 follows:

22 (a) A list of and explanation for emergency purchases;

23 (b) A list of open market purchases made by the division; and

24 (c) A list of all purchases waived from the minimum time period  
25 requirement between bid advertisement and bid opening; and

26 (3) Have the authority to enter into joint purchasing agreements  
27 with political subdivisions in the state.

28 Sec. 5. Section 73-505, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 ~~73-505~~ State agency directors shall be responsible for maintaining  
31 accurate documentation of the process used for selection of all contracts

1 ~~for services~~ and for ensuring and documenting that services and personal  
2 property required under the contract are being performed or provided in  
3 compliance with the terms of the contract ~~for services~~. Such  
4 documentation shall be kept with each contract ~~for services~~.

5 Sec. 6. Section 73-503, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 ~~73-503~~ (1) All state agencies shall process and document all  
8 contracts ~~for services~~ through the state accounting system. The Director  
9 of Administrative Services shall specify the format and type of  
10 information for state agencies to provide and approve any alternatives to  
11 such formats. All state agencies shall enter the information on new  
12 contracts ~~for services~~ and amendments to existing contracts ~~for services~~.  
13 State agency directors shall ensure that contracts ~~for services~~ are coded  
14 appropriately into the state accounting system.

15 (2) The requirements of this section also apply to the courts, the  
16 Legislature, and any officer or state agency established by the  
17 Constitution of Nebraska, but not to the University of Nebraska or the  
18 Nebraska state colleges.

19 ~~(3) The Nebraska state colleges shall document all contracts for~~  
20 ~~services through the state accounting system.~~

21 (3) ~~(4)~~ The Director of Administrative Services shall establish a  
22 centralized database, either through the state accounting system or  
23 through an alternative system, which specifically identifies where a copy  
24 of each contract ~~for services~~ may be found.

25 Sec. 7. Section 73-504, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 ~~73-504~~ Except as provided in section 13 of this act ~~73-507~~:

28 (1) All state agencies shall comply with the review and competitive  
29 bidding processes provided in this section ~~for contracts for services~~.  
30 Unless otherwise exempt, no state agency shall expend funds for contracts  
31 ~~for services~~ without complying with this section;

1           (2) All proposed state agency contracts ~~for services~~ in excess of  
2 fifty thousand dollars shall be bid by a competitive formal bidding  
3 process in the manner prescribed by the division procurement manual or a  
4 process approved by the Director of Administrative Services. Bidding for  
5 contracts for services may be performed at the state agency level or by  
6 the division. The division shall administer the public notice and bidding  
7 procedures for any contract for personal property Any state agency may  
8 request that the division conduct the competitive bidding process;

9           (3) If the bidding process is at the state agency level, then state  
10 agency directors shall ensure that bid documents for each contract ~~for~~  
11 ~~services~~ in excess of fifty thousand dollars are prereviewed by the  
12 division and that any changes to the proposed contract that differ from  
13 the bid documents in the proposed contract ~~for services~~ are reviewed by  
14 the division before signature by the parties;

15           (4) State agency directors, ~~in cooperation with the division,~~ shall  
16 be responsible for appropriate public notice of an impending contract  
17 ~~contractual services project~~ in excess of fifty thousand dollars in  
18 accordance with the division's procurement manual and the State  
19 Procurement Act sections 73-501 to 73-510; and

20           (5) State agency directors, ~~in cooperation with the division,~~ shall  
21 be responsible for ensuring that a request for a contract ~~contractual~~  
22 ~~services~~ in excess of fifty thousand dollars is filed with the division  
23 for dissemination or website access to vendors interested in competing  
24 for contracts; and for services.

25           (6) When the division is responsible for the procurement of services  
26 or personal property, the state agency shall at the time, in the form,  
27 and for the periods prescribed by the division, present to the division a  
28 detailed requisition for all services and personal property to be  
29 contracted.

30           Sec. 8. Section 81-161, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           ~~81-161~~ (1) All ~~purchases, leases, or~~ contracts which by law are  
2 required to be based on competitive bids shall be made only to the lowest  
3 responsible bidders bidder, taking into consideration, as applicable:

4           (a) The the best interests of the state; τ

5           (b) The the quality or performance of the personal property or  
6 services proposed to be supplied; τ

7           (c) The its conformity with the solicitation; specifications,

8           (d) The the purposes for which required; τ

9           (e) The and the times of delivery; τ

10           (f) The life-cycle costs of the personal property in relation to the  
11 purchase price and specific use of the item;

12           (g) The performance of the personal property, taking into  
13 consideration any commonly accepted tests and standards of product  
14 usability and user requirements;

15           (h) The energy efficiency ratio as stated by the bidder for  
16 alternative choices of appliances or equipment;

17           (i) The information furnished by each bidder concerning life-cycle  
18 costs between alternatives for all classes of equipment, evidence of  
19 expected life, repair and maintenance costs, and energy consumption on a  
20 per-year basis;

21           (j) The results of the United States Environmental Protection Agency  
22 tests on fleet performance of motor vehicles. Each bidder shall furnish  
23 information relating to such results; and

24           (k) Such other information as may be secured having a bearing on the  
25 decision to award the contract.

26           (2) In determining responsibility ~~the lowest responsible bidder, in~~  
27 ~~addition to price~~, the following elements shall be given consideration:

28           (a) The ability, capacity, and skill of the bidder to perform the  
29 contract required;

30           (b) The character, integrity, reputation, judgment, experience, and  
31 efficiency of the bidder;

1 (c) Whether the bidder can perform the contract within the time  
2 specified;

3 (d) The quality of performance of previous contracts; and

4 (e) The previous and existing compliance by the bidder with laws  
5 relating to the contract. ;

6 ~~(f) The life-cycle costs of the personal property in relation to the~~  
7 ~~purchase price and specific use of the item;~~

8 ~~(g) The performance of the personal property, taking into~~  
9 ~~consideration any commonly accepted tests and standards of product~~  
10 ~~usability and user requirements;~~

11 ~~(h) Energy efficiency ratio as stated by the bidder for alternative~~  
12 ~~choices of appliances or equipment;~~

13 ~~(i) The information furnished by each bidder concerning life cycle~~  
14 ~~costs between alternatives for all classes of equipment, evidence of~~  
15 ~~expected life, repair and maintenance costs, and energy consumption on a~~  
16 ~~per-year basis;~~

17 ~~(j) The results of the United States Environmental Protection Agency~~  
18 ~~tests on fleet performance of motor vehicles. Each bidder shall furnish~~  
19 ~~information relating to such results; and~~

20 ~~(k) Such other information as may be secured having a bearing on the~~  
21 ~~decision to award the contract.~~

22 (3) ~~(2)~~ Any appliance purchased or leased pursuant to this section  
23 shall be energy star certified, except that the materiel administrator  
24 may exempt the purchase or lease of an appliance from this subsection if  
25 he or she determines that the cost of compliance would exceed the  
26 projected energy cost savings.

27 (4) ~~(3)~~ All political subdivisions may follow the procurement  
28 principles set forth in this section if they are deemed applicable by the  
29 official authorized to make purchases for such political subdivision.

30 (5) ~~(4)~~ For purposes of this section, energy star certified means  
31 approval of energy usage by the United States Environmental Protection

1 Agency and the United States Department of Energy. Such approval may be  
2 signified by the display of the energy star label.

3 Sec. 9. Section 81-161.01, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 ~~81-161.01~~ (1) A minimum of fifteen days shall elapse between the  
6 time formal bids are advertised and the time of their opening, except  
7 that this requirement may be waived by the materiel administrator upon a  
8 showing by the state ~~using~~ agency of an emergency, sole or specialized  
9 source, or other unique requirement.

10 (2) A solicitation shall be in the form of a public notice of the  
11 proposed purchase or lease and a general description of the personal  
12 property or services needed in a paper of general circulation in the area  
13 where the agency will be operating or by any other method approved by the  
14 materiel administrator.

15 Sec. 10. Section 81-161.02, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 ~~81-161.02~~ (1) For the purposes of this section:

18 (a) Realistic price means a price at which the goods or services can  
19 actually and sufficiently be provided in accordance with the awarded  
20 contract and price bid; and

21 (b) Reasonable price means the price of the goods or services is  
22 fair compensation for such goods or services.

23 (2) Any or all bids may be rejected by the state agency in  
24 accordance with the procurement manual. A state agency may reject a bid  
25 if the price is not reasonable or is not realistic.

26 (3) In considering whether a bid's price is not reasonable or not  
27 realistic, a state agency may consider factors, including prices bid by  
28 other bidders, the fair market value of the products or services, the  
29 availability of the products or services, historical prices, or  
30 independent cost estimates ~~materiel~~ division. ~~The materiel~~ division may  
31 reject the bid of any bidder who has failed to perform a previous

1 ~~contract with the state. In any case where competitive bids are required~~  
2 ~~and all bids are rejected, and the proposed purchase is not abandoned,~~  
3 ~~new bids shall be solicited.~~

4 Sec. 11. Section 81-162, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 ~~81-162~~ A contract for personal property ~~Contracts for purchases or~~  
7 ~~leases~~ may be made in any of the following forms:

8 (1) For the furnishing of specific personal property at specific  
9 prices;

10 (2) For the furnishing of personal property, according to the  
11 specifications, at a fixed rate for a minimum quantity, subject to  
12 furnishing a greater quantity at the same or a lesser rate; or

13 (3) For the furnishing of personal property, according to the  
14 specifications without a stated minimum at a rate stated, commonly known  
15 as a price agreement.

16 The form of the contract to be used in any case shall be subject to  
17 the discretion of the ~~materiel~~ division.

18 Sec. 12. Section 73-506, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 ~~73-506~~ State agency contracts ~~for services~~ shall be subject to the  
21 following requirements:

22 (1) Payments shall be made when contractual deliverables are  
23 received or in accordance with specific contractual terms and conditions;

24 (2) State agencies shall not enter into contracts ~~for services~~ with  
25 an unspecified or unlimited duration, and no contract ~~for services~~ shall  
26 be amended to extend the duration of the contract for a period of more  
27 than fifty percent of the initial contract term. Following the adoption  
28 of any amendment to extend the contract for a period of fifty percent or  
29 less of the initial contract term, no further extensions of the original  
30 contract shall be permitted. This subdivision does not prohibit the  
31 exercise of any renewal option expressly provided in the original

1 contract;

2 (3) State agencies shall not structure contracts ~~for services to~~  
3 avoid any of the requirements of the State Procurement Act sections  
4 73-501 to 73-510; ~~and~~

5 (4) State agencies shall not enter into contracts ~~for services in~~  
6 excess of fifteen million dollars unless the state agency has complied  
7 with section 17 of this act; ~~73-510~~.

8 (5) A state agency shall not enter into a contract that purports to:

9 (a) Obligate the state to indemnify a contracting party from that  
10 party's own errors, omissions, or negligence;

11 (b) Consent to the jurisdiction of another state for the purposes of  
12 court proceedings; or

13 (c) Consent to venue in another state for the purposes of court  
14 proceedings;

15 (6) The Department of Administrative Services shall be the sole and  
16 final authority on contracts for personal property by a state agency.  
17 When the approval of the Governor is required, the Governor may confer  
18 complete authority upon the Department of Administrative Services in the  
19 review and approval for contract proposals;

20 (7) The Department of Administrative Services may adopt and  
21 promulgate rules and regulations to (a) develop and implement purchasing  
22 and leasing policies and procedures that ensure economical and efficient  
23 operations of state agencies and (b) carry out the State Procurement Act;

24 (8) State agencies shall use contracts designated by the division  
25 for statewide use, unless otherwise permitted by the materiel  
26 administrator; and

27 (9) The Director of Administrative Services shall not issue any  
28 warrant for the disbursement of money to pay for any contract that is not  
29 approved according to law.

30 Sec. 13. Section 73-507, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           ~~73-507~~ (1) Subject to review by the Director of Administrative  
2 Services, the division shall provide procedures to grant limited  
3 exceptions from sections 7, 15, and 16 of this act ~~73-504, 73-508, and~~  
4 ~~73-509~~ for:

5           (a) Sole source contracts, emergency contracts, and contracts ~~for~~  
6 ~~services~~ when the price has been established by the federal General  
7 Services Administration or competitively bid by another state or group of  
8 states, a group of states and any political subdivision of any other  
9 state, a political subdivision of another state, or a cooperative  
10 purchasing organization on behalf of a group of states or political  
11 subdivisions of other states; and

12           (b) Other circumstances or specific contracts when any of the  
13 requirements of sections 7, 15, and 16 of this act ~~73-504, 73-508, and~~  
14 ~~73-509~~ are not appropriate for or are not compatible with the  
15 circumstances or contract. The division shall provide a written rationale  
16 which shall be kept on file when granting an exception under this  
17 subdivision.

18           (2) The following types of contracts ~~for services~~ are not subject to  
19 sections 7, 15, 16, and 17 of this act ~~73-504, 73-508, 73-509, and~~  
20 ~~73-510~~:

21           (a) Contracts for services subject to the Nebraska Consultants'  
22 Competitive Negotiation Act;

23           (b) Contracts for services subject to federal law, regulation, or  
24 policy or state statute, under which a state agency is required to use a  
25 different selection process or to contract with an identified contractor  
26 or type of contractor;

27           (c) Contracts for professional legal services and services of expert  
28 witnesses, hearing officers, or administrative law judges retained by  
29 state agencies for administrative or court proceedings;

30           (d) Grant agreements or cooperative agreements ~~Contracts involving~~  
31 ~~state or federal financial assistance passed through by a state agency to~~

1 ~~a political subdivision;~~

2 (e) Contracts with a value of fifteen million dollars or less with  
3 direct providers of medical, behavioral, or developmental health  
4 services, child care, or child welfare services to an individual;

5 (f) Agreements for services to be performed for a state agency by  
6 another state or local government agency or contracts made by a state  
7 agency with a local government agency for the direct provision of  
8 services to the public;

9 (g) Agreements for services between a state agency and the  
10 University of Nebraska, the Nebraska state colleges, the courts, the  
11 Legislature, or other officers or state agencies established by the  
12 Constitution of Nebraska;

13 (h) Department of Insurance contracts for financial or actuarial  
14 examination, for rehabilitation, conservation, reorganization, or  
15 liquidation of licensees, and for professional services related to  
16 residual pools or excess funds under the agency's control;

17 (i) Department of Transportation contracts for all road and bridge  
18 projects;

19 (j) Nebraska Investment Council contracts;~~and~~

20 (k) Contracts under section 57-1503; ~~and~~

21 (l) Contracts for the erection of, construction of, renovation of,  
22 repair of, or addition to any building; for original equipment for any  
23 building; for the construction of any road or bridge; or for the  
24 performance of any work related to such contracts;

25 (m) Subject to section 83-146, contracts for the purchase or use of  
26 the products of the labor of the inmates of any charitable, reformatory,  
27 or penal institution of the state;

28 (n) Contracts for leases by the state or a state agency of real  
29 property;

30 (o) Contracts for works of art;

31 (p) Contracts for advertising or public announcements; and

1           (q) Direct or miscellaneous purchases pursuant to section 14 of this  
2 act.

3           Sec. 14. Section 81-161.03, Revised Statutes Cumulative Supplement,  
4 2022, is amended to read:

5           ~~81-161.03~~ (1) ~~The materiel~~ division may, by written order, permit  
6 ~~purchases, contracts, or leases~~ to be made by any state using agency  
7 directly with the vendor or supplier whenever it appears to the  
8 satisfaction of the ~~materiel~~ division that, because of the unique nature  
9 of the personal property, the price in connection therewith, the quantity  
10 to be purchased, the location of the state using agency, the time of the  
11 use of the personal property, or any other circumstance, the interests of  
12 the state will be served better by purchasing or contracting direct ~~than~~  
13 ~~through the materiel division.~~

14           (2) Such permission shall be revocable and shall be operative for a  
15 period not exceeding twelve months from the date of issue. Upon the  
16 request of the division, state Using agencies receiving such permission  
17 shall report their acts and expenditures under such orders to the  
18 ~~materiel~~ division in writing and ~~furnish proper evidence that competition~~  
19 ~~has been secured~~ at such time and covering such period as may be required  
20 by the ~~materiel~~ division.

21           (3) The ~~materiel~~ division shall adopt and promulgate rules and  
22 regulations establishing criteria which must be met by any agency seeking  
23 direct market purchase authorization. Purchases for miscellaneous needs  
24 may be made directly by any agency without prior approval from the  
25 ~~materiel~~ division for purchases of less than fifty ~~twenty-five~~ thousand  
26 dollars if the agency has completed a certification program as prescribed  
27 by the ~~materiel~~ division.

28           (4) The Department of Correctional Services may purchase raw  
29 materials, supplies, component parts, and equipment perishables directly  
30 for industries established pursuant to section 83-183, whether such  
31 purchases are made to fill specific orders or for general inventories.

1 Any such purchase shall not exceed fifty thousand dollars. The department  
2 shall comply with the bidding process of the ~~materiel~~ division and shall  
3 be subject to audit by the ~~materiel~~ division for such purchases.

4 Sec. 15. Section 73-508, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 ~~73-508~~ Except as provided in section 13 of this act ~~73-507~~, all  
7 proposals for sole source contracts for services in excess of fifty  
8 thousand dollars shall be preapproved by the division except in  
9 emergencies. In case of an emergency, contract approval by the state  
10 agency director or his or her designee is required. A copy of the  
11 contract and state agency justification of the emergency shall be  
12 provided to the Director of Administrative Services within three business  
13 days after contract approval. The state agency shall retain a copy of the  
14 justification with the contract in the state agency files. The Director  
15 of Administrative Services shall maintain a complete record of such sole  
16 source contracts for services.

17 Sec. 16. Section 73-509, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 ~~73-509~~ Each proposed contract for services in excess of fifty  
20 thousand dollars which requests services that are now performed or have,  
21 within the year immediately preceding the date of the proposed contract,  
22 been performed by a state employee covered by the classified personnel  
23 system or by any labor contract shall use a pre-process prescribed by the  
24 division. The pre-process shall include evaluation of the displacement of  
25 the employee of the state agency or position held by the employee of the  
26 state agency within the preceding year and of the disadvantages of such a  
27 contract for services against the expected advantages, whether economic  
28 or otherwise. Documentation of each evaluation shall be maintained in the  
29 contract file by the state agency.

30 Sec. 17. Section 73-510, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           ~~73-510~~ (1) A state agency shall not enter into a new proposed  
2 contract for services in excess of fifteen million dollars ~~unless until~~  
3 the state agency has ~~conducted, prior to the advertisement for bids or~~  
4 ~~the execution of the contract when section 13 of this act applies, a~~  
5 ~~submitted to the division a copy of the proposed contract and proof-of-~~  
6 ~~need analysis described in this section and has subsequently received~~  
7 ~~certification from the division to enter into the contract.~~

8           (2) The proof-of-need analysis shall require state agencies to  
9 provide a review of any expected long-term actual cost savings and an  
10 explanation of the analysis used to determine such savings or a  
11 justification for contracting the service if the proposed contract is not  
12 expected to result in cost savings to the state. ~~the following~~  
13 ~~information:~~

14           (3) Upon conclusion of the contract, if the contract was expected to  
15 result in long-term actual cost savings, the state agency shall submit an  
16 analysis of whether the contract actually produced such cost savings. If  
17 the contract did not produce the expected cost savings, the state agency  
18 shall receive certification from the division prior to entering into  
19 another contract in excess of fifteen million dollars for the same  
20 services.

21           ~~(a) A description of the service that is the subject of the proposed~~  
22 ~~contract;~~

23           ~~(b) The reason for purchase of the service rather than the use or~~  
24 ~~hiring of state employees, including, but not limited to, whether there~~  
25 ~~is an administrative restriction on hiring additional state employees;~~

26           ~~(c) A review of any long term actual cost savings of the contract~~  
27 ~~and an explanation of the analysis used to determine such savings;~~

28           ~~(d) An explanation of the process by which the state agency will~~  
29 ~~include adequate control mechanisms to ensure that the services are~~  
30 ~~provided pursuant to the terms of the contract, including a description~~  
31 ~~of the method by which the control mechanisms will ensure the quality of~~

1 ~~services provided by the contract;~~

2 ~~(e) Identification of the specific state agency employee who will~~  
3 ~~monitor the contract for services for performance;~~

4 ~~(f) Identification and description of whether the service requested~~  
5 ~~is temporary or occasional;~~

6 ~~(g) An assessment of the feasibility of alternatives within the~~  
7 ~~state agency to contract for performance of the services;~~

8 ~~(h) A justification for entering into the contract for services if:~~

9 ~~(i) The proposed contract will not result in cost savings to the~~  
10 ~~state; and~~

11 ~~(ii) The public's interest in having the particular service~~  
12 ~~performed directly by the state agency exceeds the public's interest in~~  
13 ~~the proposed contract;~~

14 ~~(i) Any federal requirements that the service be provided by a~~  
15 ~~person other than the state agency;~~

16 ~~(j) Demonstration by the state agency that it has taken formal and~~  
17 ~~positive steps to consider alternatives to such contract, including~~  
18 ~~reorganization, reevaluation of services, and reevaluation of~~  
19 ~~performance; and~~

20 ~~(k) A description of any relevant legal issues, including barriers~~  
21 ~~to contracting for the service or requirements that the state agency~~  
22 ~~contract for the service.~~

23 ~~(3) The division shall certify receipt of a proof-of-need analysis~~  
24 ~~and shall report its receipt of the proof-of-need analysis to the state~~  
25 ~~agency no more than thirty days after receiving the analysis.~~  
26 ~~Certification of the proof of need analysis means that all information~~  
27 ~~required by this section has been provided to the division by the state~~  
28 ~~agency. If the division certifies the analysis, the state agency may~~  
29 ~~enter into the proposed contract. If the division does not certify the~~  
30 ~~analysis, it shall inform the state agency of the additional information~~  
31 ~~required.~~

1           ~~(4) If the division certifies a proof-of-need analysis pursuant to~~  
2 ~~this section, the state agency shall file the proposed contract, proof-~~  
3 ~~of-need analysis, and proof of certification with the Legislative Fiscal~~  
4 ~~Analyst.~~

5           Sec. 18. Section 81-154.01, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7           ~~81-154.01~~ The materiel division shall make available copies of  
8 current purchase agreements and standard specifications to the University  
9 of Nebraska. The University of Nebraska may utilize such purchase  
10 agreements if it determines that it would be to its advantage to do so.  
11 The materiel division may utilize purchase agreements entered into by the  
12 University of Nebraska upon a finding by the materiel administrator that  
13 the use of such agreements would be in the best interests of the state.  
14 For purposes of this section, purchase agreements do not include  
15 contracts for personal services subject to sections 73-301 to 73-307.

16           Sec. 19. Section 81-156, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18           ~~81-156~~ The fee, required by any state or other laboratory for any  
19 analysis or test made by any prospective vendor prior to the award of a  
20 contract, shall be paid by such prospective vendor.

21           Sec. 20. Section 16-321.01, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23           16-321.01 Any municipal bidding procedure may be waived by the city  
24 council or board of public works of a city of the first class (1) when  
25 materials or equipment are purchased at the same price and from the same  
26 seller as materials or equipment which have formerly been obtained  
27 pursuant to the state bidding procedure in the State Procurement Act  
28 ~~sections 81-145 to 81-162~~, (2) when the contract is negotiated directly  
29 with a sheltered workshop pursuant to section 48-1503, or (3) when  
30 required to comply with any federal grant, loan, or program.

31           Sec. 21. Section 17-568.02, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 17-568.02 Any municipal bidding procedure may be waived by the city  
3 council, village board of trustees, or board of public works (1) when  
4 materials or equipment are purchased at the same price and from the same  
5 seller as materials or equipment which have formerly been obtained  
6 pursuant to the state bidding procedure in the State Procurement Act  
7 ~~sections 81-145 to 81-162~~, (2) when the contract is negotiated directly  
8 with a sheltered workshop pursuant to section 48-1503, or (3) when  
9 required to comply with any federal grant, loan, or program.

10 Sec. 22. Section 57-1503, Reissue Revised Statutes of Nebraska, is  
11 amended to read:

12 57-1503 (1)(a) The department may:

13 (i) Evaluate any route for an oil pipeline within, through, or  
14 across the state and submitted by a pipeline carrier for the stated  
15 purpose of being included in a federal agency's or agencies' National  
16 Environmental Policy Act review process. Any such evaluation shall  
17 include at least one public hearing, provide opportunities for public  
18 review and comment, and include, but not be limited to, an analysis of  
19 the environmental, economic, social, and other impacts associated with  
20 the proposed route and route alternatives in Nebraska. The department may  
21 collaborate with a federal agency or agencies and set forth the  
22 responsibilities and schedules that will lead to an effective and timely  
23 evaluation; or

24 (ii) Collaborate with a federal agency or agencies in a review under  
25 the National Environmental Policy Act involving a supplemental  
26 environmental impact statement for oil pipeline projects within, through,  
27 or across the state. Prior to entering into such shared jurisdiction and  
28 authority, the department shall collaborate with such agencies to set  
29 forth responsibilities and schedules for an effective and timely review  
30 process.

31 (b) A pipeline carrier that has submitted a route for evaluation or

1 review pursuant to subdivision (1)(a) of this section shall reimburse the  
2 department for the cost of the evaluation or review within sixty days  
3 after notification from the department of the cost. The department shall  
4 remit any reimbursement to the State Treasurer for credit to the  
5 Environmental Cash Fund.

6 (2) The department may contract with outside vendors in the process  
7 of preparation of a supplemental environmental impact statement or an  
8 evaluation conducted under subdivision (1)(a) of this section. The  
9 department shall make every reasonable effort to ensure that each vendor  
10 has no conflict of interest or relationship to any pipeline carrier that  
11 applies for an oil pipeline permit.

12 (3) In order for the process to be efficient and expeditious, the  
13 department's contracts with vendors pursuant to this section for a  
14 supplemental environmental impact statement or an evaluation conducted  
15 under subdivision (1)(a) of this section shall not be subject to the  
16 Nebraska Consultants' Competitive Negotiation Act, the State Procurement  
17 Act, or sections 73-301 to 73-306 ~~or 73-501 to 73-510~~.

18 (4) After the supplemental environmental impact statement or the  
19 evaluation conducted under subdivision (1)(a) of this section is  
20 prepared, the department shall submit it to the Governor. Within thirty  
21 days after receipt of the supplemental environmental impact statement or  
22 the evaluation conducted under subdivision (1)(a) of this section from  
23 the department, the Governor shall indicate, in writing, to the federal  
24 agency or agencies involved in the review or any other appropriate  
25 federal agency or body as to whether he or she approves any of the routes  
26 reviewed in the supplemental environmental impact statement or the  
27 evaluation conducted under subdivision (1)(a) of this section. If the  
28 Governor does not approve any of the reviewed routes, he or she shall  
29 notify the pipeline carrier that in order to obtain approval of a route  
30 in Nebraska the pipeline carrier is required to file an application with  
31 the Public Service Commission pursuant to the Major Oil Pipeline Siting

1 Act.

2 (5) The department shall not withhold any documents or records  
3 relating to an oil pipeline from the public unless the documents or  
4 records are of the type that can be withheld under section 84-712.05 or  
5 unless federal law provides otherwise.

6 Sec. 23. Section 60-3,100, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 60-3,100 (1) The department shall issue to every person whose motor  
9 vehicle or trailer is registered one or two fully reflectorized license  
10 plates upon which shall be displayed (a) the registration number  
11 consisting of letters and numerals assigned to such motor vehicle or  
12 trailer in figures not less than two and one-half inches nor more than  
13 three inches in height and (b) also the word Nebraska suitably lettered  
14 so as to be attractive. The license plates shall be of a color designated  
15 by the director. The color of the plates shall be changed each time the  
16 license plates are changed. Each time the license plates are changed, the  
17 director shall secure competitive bids for materials pursuant to the  
18 State Procurement Act ~~sections 81-145 to 81-162~~. Autocycle, motorcycle,  
19 minitruck, low-speed vehicle, and trailer license plate letters and  
20 numerals may be one-half the size of those required in this section.

21 (2)(a) Except as otherwise provided in this subsection, two license  
22 plates shall be issued for every motor vehicle.

23 (b) One license plate shall be issued for (i) apportionable  
24 vehicles, (ii) buses, (iii) dealers, (iv) minitrucks, (v) motorcycles,  
25 other than autocycles, (vi) special interest motor vehicles that use the  
26 special interest motor vehicle license plate authorized by and issued  
27 under section 60-3,135.01, (vii) trailers, and (viii) truck-tractors.

28 (c)(i) One license plate shall be issued, upon request and  
29 compliance with this subdivision, for any passenger car which is not  
30 manufactured to be equipped with a bracket on the front of the vehicle to  
31 display a license plate. A license decal shall be issued with the license

1 plate as provided in subdivision (ii) of this subdivision and shall be  
2 displayed on the driver's side of the windshield. In order to request a  
3 single license plate and license decal, there shall be an additional  
4 annual nonrefundable registration fee of fifty dollars plus the cost of  
5 the decal paid to the county treasurer at the time of registration. All  
6 fees collected under this subdivision shall be remitted to the State  
7 Treasurer for credit to the Highway Trust Fund.

8 (ii) The department shall design, procure, and furnish to the county  
9 treasurers a license decal which shall be displayed as evidence that a  
10 license plate has been obtained under this subdivision. Each county  
11 treasurer shall furnish a license decal to the person obtaining the  
12 plate.

13 (d) When two license plates are issued, one shall be prominently  
14 displayed at all times on the front and one on the rear of the registered  
15 motor vehicle or trailer. When only one plate is issued, it shall be  
16 prominently displayed on the rear of the registered motor vehicle or  
17 trailer. When only one plate is issued for motor vehicles registered  
18 pursuant to section 60-3,198 and truck-tractors, it shall be prominently  
19 displayed on the front of the apportionable vehicle.

20 Sec. 24. Section 66-1009, Revised Statutes Cumulative Supplement,  
21 2022, is amended to read:

22 66-1009 (1) A customer borrowing from a utility under a plan adopted  
23 pursuant to sections 66-1001 to 66-1011 shall be allowed to contract with  
24 the utility for a repayment plan and shall be offered a repayment period  
25 of not less than three years and not more than twenty years.

26 (2) Upon default on a loan by a customer, after expending reasonable  
27 efforts to collect, a utility may treat the entire unpaid contract amount  
28 as due, but services to a residential, agricultural, or commercial  
29 customer may not be terminated as a result of such default. Default  
30 occurs when any amount due a utility under a plan adopted pursuant to  
31 sections 66-1001 to 66-1011, 70-625, 70-704, ~~81-161~~, 81-1606 to 81-1626,

1 and 84-162 to 84-167 is not paid within sixty days of the due date.

2 (3) Any customer obtaining a loan pursuant to section 66-1007 shall  
3 only use the funds to accomplish the purposes agreed upon at the time of  
4 the loan. If the borrower of any funds obtained pursuant to sections  
5 66-1001 to 66-1011 uses such funds in a manner or for a purpose not  
6 authorized by this section, the total amount of the loan shall  
7 immediately become due and payable.

8 (4) Any amount due a utility on a loan pursuant to sections 66-1001  
9 to 66-1011 which is not paid in full within sixty days of the due date  
10 shall become a lien as provided in this section on the real property  
11 concerned as to the full unpaid balance. No lien under this section shall  
12 be valid unless (a) the loan was signed by the party or parties shown on  
13 the indexes of the register of deeds to be the owners of record of such  
14 real property on the date of the loan and (b) the lien is filed not more  
15 than four months after the date of default, in the same office and in the  
16 same manner as mortgages in the county in which the real property is  
17 located. Such lien shall take effect and be in force from and after the  
18 time of delivering the same to the register of deeds for recording, and  
19 not before, as to all creditors and subsequent purchasers in good faith  
20 without notice, and such lien shall be adjudged void as to all such  
21 creditors and subsequent purchasers without notice whose deeds,  
22 mortgages, or other instruments shall be first recorded, except that such  
23 lien shall be valid between the parties. A publicly owned utility shall  
24 not maintain possession of any property which it may acquire pursuant to  
25 a lien authorized by this section for a period of time longer than is  
26 reasonably necessary to dispose of such property.

27 (5) Any loan made under a plan adopted pursuant to sections 66-1001  
28 to 66-1011 shall not exceed fifteen thousand dollars, subject to any  
29 existing limitations under federal law. Any loan to be made by a utility  
30 which exceeds ten thousand dollars shall only be made in participation  
31 with a bank pursuant to a contract. The utility and the participating

1 bank shall determine the terms and conditions of the contract.

2 (6) The Director of Environment and Energy may adopt and promulgate  
3 rules and regulations to carry out sections 66-1001 to 66-1011.

4 Sec. 25. Section 70-1033, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 70-1033 (1) The Nebraska Power Review Board shall issue a request  
7 for proposals to conduct the study provided for under sections 70-1029 to  
8 70-1033 after consultation with the working group as provided for in  
9 section 70-1032.

10 (2) Any contracts or agreements entered into under this section  
11 shall not be subject to the Nebraska Consultants' Competitive Negotiation  
12 Act, the State Procurement Act, or sections 73-301 to 73-306 ~~or 73-501 to~~  
13 ~~73-510~~.

14 (3) The Nebraska Power Review Board shall present the results of the  
15 study to the Executive Board of the Legislative Council with a copy to  
16 the Clerk of the Legislature and the Governor on or before December 15,  
17 2014. The report shall be submitted electronically.

18 Sec. 26. Section 71-5666, Revised Statutes Supplement, 2023, is  
19 amended to read:

20 71-5666 Each student loan recipient shall execute an agreement with  
21 the state. Such agreement shall be exempt from the requirements of the  
22 State Procurement Act ~~sections 73-501 to 73-510~~ and shall include the  
23 following terms, as appropriate:

24 (1) The borrower agrees to practice the equivalent of one year of  
25 full-time practice of an approved specialty in a designated health  
26 profession shortage area in Nebraska for each year of education for which  
27 a loan is received, or a longer period as required in subdivision (4)(a)  
28 of section 71-5663, and agrees to accept medicaid patients in his or her  
29 practice;

30 (2) If the borrower practices an approved specialty in a designated  
31 health profession shortage area in Nebraska, the loan shall be forgiven

1 as provided in this section and subdivision (4)(a) of section 71-5663.  
2 Practice in a designated area shall commence within three months of the  
3 completion of formal education, which may include a period not to exceed  
4 five years to complete specialty training in an approved specialty. The  
5 commission may approve exceptions to any period required for completion  
6 of training upon showing good cause. Loan forgiveness shall occur on a  
7 quarterly basis, with completion of the equivalent of three months of  
8 full-time practice resulting in the cancellation of one-fourth of the  
9 annual loan amount. Part-time practice in a shortage area shall result in  
10 a prorated reduction in the cancellation of the loan amount;

11 (3) If the borrower practices an approved specialty in Nebraska but  
12 not in a designated health profession shortage area, practices a  
13 specialty other than an approved specialty in Nebraska, does not practice  
14 the profession for which the loan was given, discontinues practice of the  
15 profession for which the loan was given, or practices outside Nebraska,  
16 the borrower shall repay one hundred fifty percent of the outstanding  
17 loan principal with interest at a rate of eight percent simple interest  
18 per year from the date of default. Such repayment shall commence within  
19 six months of the completion of formal education, which may include a  
20 period not to exceed five years to complete specialty training in an  
21 approved specialty, and shall be completed within a period not to exceed  
22 twice the number of years for which loans were awarded;

23 (4) If a borrower who is a medical, dental, or doctorate-level  
24 mental health student determines during the first or second year of  
25 medical, dental, or doctorate-level mental health education that his or  
26 her commitment to the loan program cannot be honored, the borrower may  
27 repay the outstanding loan principal, plus six percent simple interest  
28 per year from the date the loan was granted, prior to graduation from  
29 medical or dental school or a mental health practice program without  
30 further penalty or obligation. Master's level mental health and physician  
31 assistant student loan recipients shall not be eligible for this

1 provision;

2 (5) If the borrower discontinues the course of study for which the  
3 loan was granted, the borrower shall repay one hundred percent of the  
4 outstanding loan principal. Such repayment shall commence within six  
5 months of the date of discontinuation of the course of study and shall be  
6 completed within a period of time not to exceed the number of years for  
7 which loans were awarded;

8 (6) Any practice or payment obligation incurred by the student loan  
9 recipient under the student loan program is canceled in the event of the  
10 student loan recipient's total and permanent disability or death; and

11 (7) For a borrower seeking benefits under subdivision (4)(a) of  
12 section 71-5663, the borrower agrees to such other terms as the  
13 department deems appropriate.

14 Sec. 27. Section 71-5667, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 71-5667 Agreements executed prior to July 1, 2007, under the Rural  
17 Health Systems and Professional Incentive Act may be renegotiated and new  
18 agreements executed to reflect the terms required by section 71-5666. No  
19 funds repaid by borrowers under the terms of agreements executed prior to  
20 July 1, 2007, shall be refunded. Any repayments being made under the  
21 terms of prior agreements may be discontinued upon execution of a new  
22 agreement if conditions permit. Any agreement renegotiated pursuant to  
23 this section shall be exempt from the requirements of the State  
24 Procurement Act ~~sections 73-501 to 73-510~~.

25 Sec. 28. Section 71-5668, Revised Statutes Supplement, 2023, is  
26 amended to read:

27 71-5668 Each loan repayment recipient shall execute an agreement  
28 with the department and a local entity. Such agreement shall be exempt  
29 from the requirements of the State Procurement Act ~~sections 73-501 to~~  
30 ~~73-510~~ and shall include, at a minimum, the following terms:

31 (1) The loan repayment recipient agrees to practice his or her

1 profession, and a physician, psychiatrist, dentist, nurse practitioner,  
2 or physician assistant also agrees to practice an approved specialty, in  
3 a designated health profession shortage area for at least three years, or  
4 the period required by subdivision (4)(c) of section 71-5663, and to  
5 accept medicaid patients in his or her practice;

6 (2) In consideration of the agreement by the recipient, the State of  
7 Nebraska and a local entity within the designated health profession  
8 shortage area will provide equal funding for the repayment of the  
9 recipient's qualified educational debts except as provided in subdivision  
10 (5) of this section, in amounts up to thirty thousand dollars per year  
11 per recipient for physicians, psychiatrists, dentists, and psychologists  
12 and up to fifteen thousand dollars per year per recipient for physician  
13 assistants, nurse practitioners, pharmacists, physical therapists,  
14 occupational therapists, and mental health practitioners toward qualified  
15 educational debts for up to three years or a longer period as required by  
16 subdivision (4)(c) of section 71-5663. The department shall make payments  
17 directly to the recipient;

18 (3) If the loan repayment recipient discontinues practice in the  
19 shortage area prior to completion of the three-year requirement or the  
20 period required by subdivision (4)(c) of section 71-5663, as applicable,  
21 the recipient shall repay to the state one hundred fifty percent of the  
22 total amount of funds provided to the recipient for loan repayment with  
23 interest at a rate of eight percent simple interest per year from the  
24 date of default. Upon repayment by the recipient to the department, the  
25 department shall reimburse the local entity its share of the funds which  
26 shall not be more than the local entity's share paid to the loan  
27 repayment recipient;

28 (4) Any practice or payment obligation incurred by the loan  
29 repayment recipient under the loan repayment program is canceled in the  
30 event of the loan repayment recipient's total and permanent disability or  
31 death;

1 (5) For a loan repayment recipient seeking benefits under  
2 subdivision (4)(c) of section 71-5663, the recipient agrees to such other  
3 terms as the department deems appropriate; and

4 (6) Beginning on July 1, 2022, any agreements entered into by  
5 December 31, 2024, shall first use federal funds from the federal  
6 American Rescue Plan Act of 2021 for the purposes of repaying qualified  
7 educational debts prior to using any state or local funds. Agreements  
8 using federal funds from the federal American Rescue Plan Act of 2021  
9 shall not require equal funding from a local entity. Any federal funds  
10 from the act committed to agreements during this time period shall be  
11 used by December 31, 2026.

12 Sec. 29. Section 71-5669.01, Revised Statutes Supplement, 2023, is  
13 amended to read:

14 71-5669.01 Each medical resident incentive recipient shall execute  
15 an agreement with the department. Such agreement shall be exempt from the  
16 requirements of the State Procurement Act sections 73-501 to 73-510 and  
17 shall include, at a minimum, the following terms:

18 (1) The medical resident incentive recipient agrees to practice an  
19 approved medical specialty the equivalent of one year of full-time  
20 practice in a designated health profession shortage area, or for a longer  
21 period as required by subdivision (4)(b) of section 71-5663, and to  
22 accept medicaid patients in his or her practice;

23 (2) In consideration of the agreement by the medical resident  
24 incentive recipient, the State of Nebraska will provide funding for the  
25 repayment of the recipient's qualified educational debts, in amounts up  
26 to forty thousand dollars per year for up to three years while in an  
27 approved medical specialty residency program in Nebraska, or for a longer  
28 period as required by subdivision (4)(b) of section 71-5663. The  
29 department shall make payments directly to the medical resident incentive  
30 recipient;

31 (3) If the medical resident incentive recipient extends his or her

1 residency training but not in an approved specialty, practices an  
2 approved specialty in Nebraska but not in a designated health profession  
3 shortage area, practices a specialty other than an approved specialty in  
4 Nebraska, does not practice the profession for which the loan was given,  
5 discontinues practice of the profession for which the loan was given, or  
6 practices outside Nebraska, the medical resident incentive recipient  
7 shall repay to the state one hundred fifty percent of the outstanding  
8 loan principal with interest at a rate of eight percent simple interest  
9 per year from the date of default. Such repayment shall commence within  
10 six months of the completion or discontinuation of an approved specialty  
11 residency training in Nebraska and shall be completed within a period not  
12 to exceed twice the number of years for which the medical resident  
13 incentive recipient received awards;

14 (4) Any practice or payment obligation incurred by the medical  
15 resident incentive recipient under the medical resident incentive program  
16 is canceled in the event of the medical resident incentive recipient's  
17 total and permanent disability or death; and

18 (5) For a medical resident incentive recipient seeking benefits  
19 under subdivision (4)(b) of section 71-5663, the recipient agrees to such  
20 other terms as the department deems appropriate.

21 Sec. 30. Section 73-101, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 73-101 Whenever the State of Nebraska, or any department or any  
24 agency thereof, any county board, county clerk, county highway  
25 superintendent, the mayor and city council or commissioner of any  
26 municipality, any entity created pursuant to the Interlocal Cooperation  
27 Act or the Joint Public Agency Act, or the officers of any school  
28 district, township, or other governmental subdivision, shall advertise  
29 for bids in pursuance of any statutes of the State of Nebraska, on any  
30 road contract work or any public improvements work, or for supplies,  
31 construction, repairs, and improvements, and in all other cases where

1 bids for supplies or work, of any character whatsoever, are received for  
2 the various departments and agencies of the state, and other subdivisions  
3 and agencies enumerated in this section, they shall fix not only the day  
4 upon which such bids shall be returned, received, or opened, as provided  
5 by other statutes, but shall also fix the hour at which such bids shall  
6 close, or be received or opened, and they shall also provide that such  
7 bids shall be immediately and simultaneously opened in the presence of  
8 the bidders, or representatives of the bidders, when the hour is reached  
9 for the bids to close. Such bids may be withheld from disclosure until an  
10 intent to award is issued. If bids are being opened on more than one  
11 contract, the officials having in charge the opening of such bids may, if  
12 they deem it advisable, award each contract as the bids are opened.  
13 Sections 73-101 to 73-106 shall not apply to the State Park System  
14 Construction Alternatives Act or sections 39-2808 to 39-2823.

15 Sec. 31. Section 73-301, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 73-301 The Director of Administrative Services shall review and  
18 approve or disapprove any contract for personal services between a  
19 private entity and any state agency, other than (1) the University of  
20 Nebraska, (2) the Nebraska state colleges, and (3) any other board,  
21 commission, or agency established by the Constitution of Nebraska, if, on  
22 the effective date of the contract, the personal services are performed  
23 by permanent state employees of the agency and will be replaced by  
24 services performed by the private entity. The contract shall be subject  
25 to the public bidding procedures established in the State Procurement Act  
26 ~~sections 81-145 to 81-162~~ except in emergencies approved by the Governor.

27 For purposes of this section, contract for personal services means  
28 an agreement by a contractor to provide human labor but does not mean a  
29 contract to supply only goods or personal property. The term includes  
30 contracts with private service providers, consultants, and independent  
31 service contractors.

1           Sec. 32. Section 73-603, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           73-603 (1) The Department of Administrative Services shall create an  
4 annual report that includes:

5           (a) The total number and value of contracts awarded by the  
6 department;

7           (b) The total number and value of contracts awarded by the  
8 department to contractors within this state; and

9           (c) The total number and value of contracts awarded by the  
10 department to foreign contractors. ~~;~~ and

11           ~~(d) The total number of contracts awarded by the department for  
12 which a preference was given under section 73-101.01.~~

13           (2) Such report ~~The first such report created pursuant to subsection  
14 (1) of this section shall be submitted to the Governor and the  
15 Legislature on or before September 1, 2015, and shall include the  
16 information specified in such subsection from FY2014-15. Subsequent  
17 reports shall be submitted on or before September 1 each year thereafter  
18 and shall include the required information from the most recent fiscal  
19 year ending prior to such date. The reports submitted to the Legislature  
20 and the Governor shall be submitted electronically. Each annual report  
21 shall be made available to the public through publication on the  
22 department's website on or before September 1 of each year.~~

23           Sec. 33. Section 81-145, Revised Statutes Supplement, 2023, is  
24 amended to read:

25           81-145 As used in sections 81-145 to 81-161.06 and sections 34 to 39  
26 of this act 81-162, unless the context otherwise requires:

27           (1) Materiel division means ~~the head of the division of the state~~  
28 government charged with the administration of sections 81-145 to  
29 81-161.06 and sections 34 to 39 of this act 81-162 and 81-1118 to  
30 ~~81-1118.06~~, which division shall be a part of and subject to the  
31 supervision of the office of the Director of Administrative Services; and

1           ~~(2) Personal property includes all materials, supplies, furniture,~~  
2 ~~equipment, printing, stationery, automotive and road equipment, and other~~  
3 ~~chattels, goods, wares, and merchandise whatsoever;~~

4           ~~(2) (3)~~ Using agencies means and includes all officers of the state,  
5 departments, bureaus, boards, commissions, councils, and institutions  
6 receiving legislative appropriations, except that using agencies does not  
7 include the University of Nebraska and the Nebraska state colleges. ~~;~~ ~~and~~

8           ~~(4) Lease or contract means an agreement entered into by the state~~  
9 ~~or using agency with another party whereby, for a stated consideration,~~  
10 ~~the state or using agency is to receive the personal property or use~~  
11 ~~thereof furnished by the other party.~~

12           Sec. 34. Section 81-1118, Revised Statutes Supplement, 2023, is  
13 amended to read:

14           ~~81-1118~~ The materiel division of the Department of Administrative  
15 Services is hereby established and shall be managed by the materiel  
16 administrator.

17           There are hereby established the following seven branches of the  
18 materiel division of the Department of Administrative Services which  
19 shall have the following duties, powers, and responsibilities:

20           (1) The office supplies bureau shall be responsible for providing  
21 office supplies, paper, and forms to state using agencies other than the  
22 University of Nebraska or the Nebraska state colleges;

23           (2) Central mail shall be responsible for all mailing operations,  
24 transportation of material, tracking shipments, and making freight  
25 claims;

26           (3) The print shop shall be responsible for specifications and for  
27 receiving bids and placing orders to the lowest and best commercial  
28 bidder for all printing and reproduction operations for the state. The  
29 print shop shall also be responsible for coordinating all existing  
30 printing and reproduction operations of the state;

31           (4) Copy services shall be responsible for the purchasing and

1 placement of all copier requirements;

2 (5) The state purchasing bureau shall be responsible for all  
3 purchases of personal property by all state agencies other than the  
4 University of Nebraska or and the Nebraska state colleges; ~~The materiel~~  
5 ~~division shall administer the public notice and bidding procedures and~~  
6 ~~any other areas designated by the Director of Administrative Services to~~  
7 ~~carry out the lease or purchase of personal property. All purchases of~~  
8 ~~and contracts for materials, supplies, or equipment and all leases of~~  
9 ~~personal property shall be made in the following manner except in~~  
10 ~~emergencies approved by the Governor:~~

11 (a) ~~By a competitive formal sealed bidding process through the~~  
12 ~~materiel division in all cases in which the purchases are of estimated~~  
13 ~~value exceeding fifty thousand dollars;~~

14 (b) ~~By a competitive informal bidding process through the materiel~~  
15 ~~division in all cases in which the purchases are of estimated value equal~~  
16 ~~to or exceeding twenty-five thousand dollars but equal to or less than~~  
17 ~~fifty thousand dollars;~~

18 (c) ~~By unrestricted open market purchases through the materiel~~  
19 ~~division in all cases in which purchases are of estimated value of less~~  
20 ~~than twenty-five thousand dollars;~~

21 (d) ~~All requisitions for whatever purpose coming to the state~~  
22 ~~purchasing bureau shall be in conformance with the approved budget of the~~  
23 ~~requisitioning department or agency;~~

24 (e) ~~All contracts for purchases and leases shall be bid as a single~~  
25 ~~whole item. In no case shall contracts be divided or fractionated in~~  
26 ~~order to produce several contracts which are of an estimated value below~~  
27 ~~that required for competitive bidding; and~~

28 (f) ~~No contract for purchase or lease shall be amended to extend the~~  
29 ~~duration of the contract for a period of more than fifty percent of the~~  
30 ~~initial contract term. Following the adoption of any amendment to extend~~  
31 ~~the contract for a period of fifty percent or less of the initial~~

1 ~~contract term, no further extensions of the original contract shall be~~  
2 ~~permitted. This subdivision (f) does not prohibit the exercise of any~~  
3 ~~renewal option expressly provided in the original contract;~~

4 (6) The state recycling office shall be responsible for the  
5 administration and operation of the State Government Recycling Management  
6 Act; and

7 (7) State surplus property shall be responsible for the disposition  
8 of the state's surplus property and the maintenance of all inventory  
9 records.

10 ~~Nothing in this section shall be construed to require that works of~~  
11 ~~art must be procured through the materiel division.~~

12 Sec. 35. Section 81-1118.01, Reissue Revised Statutes of Nebraska,  
13 is amended to read:

14 ~~81-1118.01~~ The materiel administrator shall have complete control of  
15 all furniture and equipment in the capitol, state laboratory, Governor's  
16 Mansion, and all other buildings owned or leased by the State of  
17 Nebraska, except telephone and telecommunications equipment and equipment  
18 and furniture of the Legislature and the Supreme Court. The materiel  
19 administrator shall keep in his or her office a complete record  
20 containing an itemized account of all state property, including furniture  
21 and equipment under his or her care and control. Such inventory record  
22 shall be maintained as a management system to assure efficient  
23 utilization of state property with particular emphasis on identification  
24 of surpluses. Such system shall be designed so as to provide the materiel  
25 administrator with the knowledge of potential surplus property available.  
26 The materiel administrator under the authority of the Director of  
27 Administrative Services shall have complete control and all powers  
28 necessary to assure efficient utilization of state property.

29 Sec. 36. Section 81-1118.02, Revised Statutes Supplement, 2023, is  
30 amended to read:

31 ~~81-1118.02~~ (1) Except as otherwise provided in subsection (4) of

1 this section, each executive, department, commission, or other state  
2 agency, and the Supreme Court, shall annually make or cause to be made an  
3 inventory of all property, including furniture and equipment, belonging  
4 to the State of Nebraska and in the possession, custody, or control of  
5 any executive, department, commission, or other state agency. The  
6 inventory shall include property in the possession, custody, or control  
7 of each executive, department, commission, or other state agency as of  
8 June 30 and shall be completed and filed with the materiel administrator  
9 by August 31 of each year.

10 (2) If any of the property of the state, referred to in subsection  
11 (1) of this section, is lost, destroyed, or unaccounted for by the  
12 negligence or carelessness of the executive, department, commission, or  
13 other state agency, the State Building Administrator ~~administrator~~ shall,  
14 with the advice of the Attorney General, take the proper steps to recover  
15 such state property or the reasonable value thereof from the executive,  
16 department, commission, or other state agency charged with the same and  
17 from the person bonding such executive, department, commission, or other  
18 state agency, if any.

19 (3) Each such executive, department, commission, or other state  
20 agency shall indelibly tag, mark, or stamp all such property belonging to  
21 the State of Nebraska, with the following: Property of the State of  
22 Nebraska. In the inventory required by subsection (1) of this section,  
23 each such executive, department, commission, or other state agency shall  
24 state positively that each item of such property has been so tagged,  
25 marked, or stamped.

26 (4) This section does not apply to the Board of Regents of the  
27 University of Nebraska or the Board of Trustees of the Nebraska State  
28 Colleges.

29 Sec. 37. Section 81-1118.07, Reissue Revised Statutes of Nebraska,  
30 is amended to read:

31 ~~81-1118.07~~ (1) Notwithstanding any other provision of law, the state

1 purchasing bureau created by section 34 of this act ~~81-1118~~ may use a  
2 reverse auction for the acquisition of goods if the bureau determines  
3 that the use of a reverse auction would be advantageous to the state.

4 (2) If the bureau conducts a reverse auction, the bureau shall  
5 provide notification of the intent to use the reverse auction process in  
6 the bid solicitation documents and, unless the solicitation is canceled,  
7 an award shall be made to the bidder determined by the bureau to be the  
8 lowest responsible bidder at the close of the bidding process. The bureau  
9 may require bidders to register before the opening date and time of the  
10 reverse auction.

11 (3) The bureau may contract with a third-party vendor to conduct a  
12 reverse auction pursuant to this section.

13 (4) The bureau may adopt and promulgate rules and regulations to  
14 implement this section.

15 (5) For purposes of this section, reverse auction means a process in  
16 which (a) bidders compete to provide goods in an open and interactive  
17 environment, which may include the use of electronic media, (b) bids are  
18 opened and made public immediately, and (c) bidders are given opportunity  
19 to submit revised bids until the bidding process is complete.

20 Sec. 38. Section 81-1119, Revised Statutes Cumulative Supplement,  
21 2022, is amended to read:

22 ~~81-1119~~ The Department of Administrative Services may purchase real  
23 property needed by the state which costs an amount equal to or less than  
24 ten percent of the amount set forth in subdivision (1)(a) of section  
25 81-1108.43 as adjusted by subsection (2) of section 81-1108.43 without  
26 legislative approval or a specific appropriation for such purchase unless  
27 the purchase is made to evade the dollar limitation in this section and  
28 additional unapproved purchases will be made which, when considered  
29 together, would exceed the dollar limitation.

30 Sec. 39. Section 81-1120, Revised Statutes Cumulative Supplement,  
31 2022, is amended to read:

1           ~~81-1120~~ (1) ~~The There is hereby created the~~ Materiel Division  
2   Revolving Fund is created. The fund shall be administered by the materiel  
3   division of the Department of Administrative Services. The fund shall  
4   consist of (a) fees paid for printing, copying, central supply, and  
5   mailing services provided to state agencies and local subdivisions by the  
6   division, (b) assessments charged by the materiel administrator to state  
7   agencies, boards, and commissions for purchasing services provided by the  
8   division, and (c) any money collected pursuant to subdivision (9) ~~(10)~~ of  
9   section 81-153. Such assessments shall be adequate to cover actual and  
10  necessary expenses that are associated with providing the service and not  
11  otherwise covered by the money collected pursuant to subdivision (9) ~~(10)~~  
12  of section 81-153. The fund shall be used to pay for expenses incurred by  
13  the division to provide such services.

14           (2) State agencies, boards, and commissions shall make the materiel  
15  division assessment payments to the fund no later than August 1 of each  
16  year, or in four equal payments to be made no later than August 1,  
17  October 1, February 1, and April 1 of each year, at the discretion of the  
18  materiel administrator.

19           (3) Any money in the fund available for investment shall be invested  
20  by the state investment officer pursuant to the Nebraska Capital  
21  Expansion Act and the Nebraska State Funds Investment Act.

22           Sec. 40. Section 81-153, Revised Statutes Cumulative Supplement,  
23  2022, is amended to read:

24           81-153 The materiel division shall have the power and duty to:

25           (1) Purchase or contract for, in the name of the state, the personal  
26  property required by the using agencies and the state;

27           ~~(2) Promulgate, apply, and enforce standard specifications~~  
28  ~~established as provided in section 81-154;~~

29           (2) ~~(3)~~ Sell and dispose of personal property that is not needed by  
30  the state or its using agencies as provided in section 81-161.04 or  
31  initiate trade-ins when determined to be in the best interest of the

1 state;

2 (3) (4) Determine the utility, quality, fitness, and suitability of  
3 all personal property tendered or furnished;

4 (4) (5) Make rules and regulations consistent with sections 81-145  
5 to 81-161.06 and sections 34 to 39 of this act ~~81-171 and 81-1118~~ to  
6 ~~81-1118.06~~ to carry into effect the provisions thereof. Such rules and  
7 regulations shall include provisions for modifying and terminating  
8 purchase contracts and the cost principles to be used in such  
9 modification or termination;

10 (5) (6) Employ such clerical, technical, and other assistants as may  
11 be necessary to properly administer such sections, fix their  
12 compensation, and prescribe their duties in connection therewith, subject  
13 to existing laws and appropriations;

14 (6) (7) Allow the purchase of personal property without competitive  
15 bidding when the price has been established by the federal General  
16 Services Administration or to allow the purchase of personal property by  
17 participation in a contract competitively bid by another state or group  
18 of states, a group of states and any political subdivision of any other  
19 state, or a cooperative purchasing organization on behalf of a group of  
20 states. The division may also give consideration to a sheltered workshop  
21 pursuant to section 48-1503 in making such purchases;

22 (7) (8) Enter into any personal property lease agreement when it  
23 appears to be in the best interest of the state;

24 (8) (9) Negotiate purchases and contracts when conditions exist to  
25 defeat the purpose and principles of public competitive bidding; and

26 (9) (10) Obtain an electronic procurement system, which shall be  
27 funded or paid for by providing the system provider with, as determined  
28 by the materiel administrator, a percentage or portion of identified  
29 transactions. Such percentage or portion may be collected by the system  
30 provider from contractors and bidders.

31 Sec. 41. Section 81-1101, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 81-1101 The purposes of sections ~~11-119, 81-106,~~ 81-1101 to  
3 81-1117.05 and 81-1118, 81-1121, ~~81-1170.01, 81-1170.02,~~ and ~~84-304~~ are  
4 to:

5 (1) Provide for the development and maintenance of a modern system  
6 of budgetary, inventory, and financial accounting;

7 (2) Provide for development and maintenance of such modern and  
8 economical methods and systems for record keeping, accounting,  
9 expenditure planning and control as may be possible through timely  
10 adoption of modern technological developments;

11 (3) Provide for centralized direction of services and service  
12 agencies;

13 (4) Assure the development and operation of organizational and  
14 procedural innovations as may be expected to provide acceptable internal  
15 control of the handling and processing of public funds; and

16 (5) Focus responsibility for execution of the financial policies of  
17 this state on the chief executive and provide assistants having the  
18 necessary technical skills for the achievement of that end.

19 Sec. 42. Section 81-1102, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 81-1102 For purposes of sections ~~11-119, 81-106,~~ 81-1101 to  
22 81-1117.05 and 81-1118, 81-1121, ~~81-1170.01, 81-1170.02,~~ and ~~84-304,~~  
23 unless the context otherwise requires:

24 (1) Gender with reference to the masculine or feminine gender shall  
25 be construed to apply to either or both genders;

26 (2) Executive budget means ~~shall mean~~ the budget proposed by the  
27 Governor to the Legislature as the basis of appropriations for the  
28 operation of and capital outlay by state government during the period  
29 covered by such budget;

30 (3) Approved budget means ~~shall mean~~ the executive or Governor's  
31 budget as modified by appropriations actions of the Legislature;

1 (4) Budgetary allotments means ~~shall mean~~ the plan of expenditures,  
2 by program, subprogram, activity, or object of expenditure under the  
3 approved budget for monthly or other applicable periods of time within  
4 each fiscal year, to which a department or agency may be held during such  
5 period of time within the fiscal year;

6 (5) Accrual system means ~~shall mean~~ the recording of revenue when  
7 earned and the recording of expenditures as soon as they result in  
8 liabilities, notwithstanding the fact that the receipt of the revenue or  
9 payment of the expenditure may take place, in whole or in part, in  
10 another accounting period;

11 (6) Double entry system means ~~shall mean~~ a system of bookkeeping  
12 which requires for every entry made to the debit side of an account or  
13 accounts an entry for a corresponding amount or amounts to the credit  
14 side of another account or accounts resulting in a self-balancing  
15 accounting system;

16 (7) Disbursement means ~~shall mean~~ payment from the state treasury;

17 (8) Expenditure means ~~shall mean~~, when an accrual system has been  
18 established, total liability incurred by contract, purchase order, or  
19 payroll commitments or as otherwise provided by law, whether or not  
20 related disbursement has been made from the state treasury, and shall  
21 mean, until an accrual system has been established, disbursements from  
22 the state treasury;

23 (9) Revenue means ~~shall mean~~, when an accrual system has been  
24 established, additions to assets which do not increase any liability or  
25 represent the recovery of an expenditure or disbursement or any part  
26 thereof or the cancellation of liabilities without a corresponding  
27 increase in other liabilities or a decrease in assets. Until an accrual  
28 system has been established, this term means ~~shall mean~~ additions to cash  
29 in the state treasury or for deposit in the state treasury only;

30 (10) Receipts means ~~shall mean~~ cash received, unless otherwise  
31 qualified;

1           ~~(11) Budgetary accounting shall mean a system of accounts designed~~  
2 ~~to reflect budget operations and conditions such as estimated revenue,~~  
3 ~~appropriations, and encumbrances as distinct from proprietary accounts~~  
4 ~~designed to show the status of the assets, liabilities, and surplus of~~  
5 ~~the state and its departments and agencies;~~

6           (11) ~~(12)~~ Encumbrances means ~~shall mean~~ charges to appropriation  
7 accounts to reflect obligations for which a part of the appropriation is  
8 reserved and which shall cease to be encumbrances when paid or when an  
9 actual liability is established in a proprietary account;

10           (12) ~~(13)~~ Financing agreement means ~~shall mean~~ any bond, lease-  
11 purchase obligation, installment sales contract, or similar financial  
12 arrangement, for a period greater than one year, which is entered into by  
13 the state or any agency, board, or commission thereof, not including the  
14 University of Nebraska or state colleges, in accordance with the  
15 Constitution of Nebraska and statutes of this state, relating to capital  
16 construction, real property acquisition, and personal property  
17 acquisition;

18           (13) ~~(14)~~ Proprietary account means ~~shall mean~~ those accounts  
19 designed to show actual financial position and operations such as actual  
20 assets, liabilities, surplus, revenue, and expenditures, as distinguished  
21 from budgetary accounts;

22           (14) ~~(15)~~ Program means ~~shall mean~~ a major operation of the state  
23 government directed toward the achievement of a definite legal objective  
24 and which, in most instances, could be carried on independently of other  
25 major operations of the state as defined and described in the accounting  
26 and budgeting manuals on file in the office of the Director of  
27 Administrative Services;

28           (15) ~~(16)~~ Subprogram means ~~shall mean~~ one or more operations of a  
29 department or agency of the state designed jointly to accomplish a major  
30 program objective as defined in the accounting and budgeting manuals on  
31 file in the office of the Director of Administrative Services;

1           (16) ~~(17)~~ Activity means ~~shall mean~~ one or more operations of a  
2 department or agency of the state designed jointly to accomplish the  
3 objective of a subprogram to which it is related as defined in the  
4 accounting and budgeting manual on file in the office of the Director of  
5 Administrative Services;

6           ~~(18) Staffing pattern shall mean the number of positions in each~~  
7 ~~class and the specific classes of positions as may be authorized for each~~  
8 ~~department or agency for such department or agency programs, subprograms,~~  
9 ~~and activities;~~

10          ~~(19) Approved project shall mean any acquisition of land or~~  
11 ~~buildings, any construction or major remodeling of new or newly acquired~~  
12 ~~buildings or structures or of existing state-owned buildings or~~  
13 ~~structures, excluding state highways or state roads or aeronautical~~  
14 ~~projects, or any additions to buildings or structures of land owned by~~  
15 ~~the state or its departments or agencies for which an appropriation or~~  
16 ~~other act of the Legislature makes provision;~~

17          ~~(20) Machine time shall mean the hours or fractions thereof of~~  
18 ~~operation of each component of a machine data processing system together~~  
19 ~~with the hours or fractions thereof of machine operator time for each~~  
20 ~~such component devoted to the production of a report or tabulation or the~~  
21 ~~processing of data necessary to such production and shall also include a~~  
22 ~~proportional reflection of the hours or fractions thereof of supervisory~~  
23 ~~time so that all costs of operation of the information management~~  
24 ~~services division may be reflected in billings to benefiting departments~~  
25 ~~or agencies;~~

26          (17) ~~(21)~~ Budget request means ~~shall mean~~ the complete recitation,  
27 on forms prescribed by the budget division and in the manner prescribed  
28 by such division, of the operating and construction funds requests of a  
29 department or agency for the biennium next following the then current  
30 biennium;

31          (18) ~~(22)~~ Department means ~~shall mean~~ the Department of

1 Administrative Services; and

2 (19) ~~(23)~~ Director means ~~shall mean~~ the Director of Administrative  
3 Services.

4 Sec. 43. Section 81-1108.10, Reissue Revised Statutes of Nebraska,  
5 is amended to read:

6 81-1108.10 As used in sections ~~81-1108, 81-1108.02,~~ 81-1108.09 to  
7 81-1108.43, ~~81-1118.01, 81-1118.02, and 81-1120.22,~~ unless the context  
8 otherwise requires:

9 (1) Division means ~~shall mean~~ the state building division charged  
10 with the responsibility of statewide facilities planning, facilities  
11 construction, and statewide facilities administration, which division  
12 shall be a part of and subject to the supervision of the office of the  
13 Director of Administrative Services; and

14 (2) Administrator means ~~shall mean~~ the State Building Administrator.

15 Sec. 44. Section 81-1108.16, Reissue Revised Statutes of Nebraska,  
16 is amended to read:

17 81-1108.16 (1) The administrator shall review program statements and  
18 contracts and file a written report on each program statement and  
19 contract reviewed pursuant to the provisions of section 81-1108.41. Such  
20 administrator shall file subsequent reviews and reports upon completion  
21 of the planning or design phase of the project indicating the  
22 compatibility of the project with capital construction plans, probable  
23 cost of the project, accepted cost standard, and the relationship of the  
24 project to the state comprehensive capital facilities plan and to other  
25 agency or departmental capital facilities pursuant to the provisions of  
26 section 81-1108.41.

27 (2) No contract for the leasing of real property shall be awarded  
28 without the approval of the Department of Administrative Services, and no  
29 such contract shall be awarded if:

30 (a) There is state-owned property which is adequate or which through  
31 cost-effective renovation, as determined by the division, could be made

1 adequate to meet the using agency's needs; or

2 (b) It has not been arranged through the bidding process provided in  
3 rules and regulations adopted by the division. The rules and regulations  
4 shall be in accordance with sections 73-101, 81-1108.55, and 81-1108.56  
5 and shall be otherwise consistent with sections 81-145 to 81-161.06 and  
6 sections 34 to 39 of this act ~~81-162~~ to the greatest extent possible.

7 All contracts for purchases or leases shall be open to inspection by  
8 the Legislature during normal business hours.

9 Sec. 45. Section 81-1109, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 81-1109 The Director of Administrative Services shall be responsible  
12 to the Governor for provision of technical assistance, advice, and  
13 information concerning the financial and administrative operations of all  
14 agencies of the state, for provision of technical assistance and advice  
15 on the preparation of the Governor's budget, otherwise referred to in  
16 sections ~~11-119, 81-106,~~ 81-1101 to 81-1117.05 ~~81-1118, 81-1121,~~  
17 ~~81-1170.01, 81-1170.02,~~ and ~~84-304~~ as the executive budget, and for  
18 administration of the approved budget within the limits of appropriations  
19 provided except as otherwise provided by law. He or she shall be  
20 responsible to the Governor for the provision of current reports of the  
21 financial condition of the state and each of its departments and agencies  
22 and for the provision of timely recommendations for dealing with  
23 financial, management, and organizational problems affecting the  
24 administration of the business of the state and its departments and  
25 agencies.

26 Sec. 46. Section 81-3721, Revised Statutes Cumulative Supplement,  
27 2022, is amended to read:

28 81-3721 All contracts awarded by the commission shall be subject to  
29 the State Procurement Act ~~sections 73-501 to 73-510~~. The commission shall  
30 comply with the rules, regulations, procedures, and guidelines  
31 established by the Department of Administrative Services for contracts.

1           Sec. 47. Section 83-145, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           83-145 All departments, institutions, and agencies of this state  
4 which are supported in whole or in part by taxation for state purposes  
5 and all counties and other political subdivisions of this state shall  
6 purchase from the Department of Correctional Services all articles  
7 required by them produced, printed, or manufactured by offenders confined  
8 in facilities of the Department of Correctional Services, or elsewhere,  
9 including products of any farms operated by the department unless such  
10 articles of equal quality and materials could be purchased from another  
11 supplier at a lesser cost. The quality and materials must be certified as  
12 being equal by the materiel division of the Department of Administrative  
13 Services. No such article shall be purchased by any department,  
14 institution, or agency of the state from any other source unless excepted  
15 from the provisions of this section as provided in sections 83-144 to  
16 83-152. Printing by offenders shall be restricted to such as may be  
17 required at the various institutions under the jurisdiction of the  
18 department and such other printing requirements as may be determined by  
19 the materiel division of the Department of Administrative Services  
20 pursuant to subdivision (3) of section 34 of this act ~~81-1118~~. No  
21 products of any institutional printing plant, other than that used by  
22 departments, institutions, agencies, and other political subdivisions of  
23 the state, shall be sold in competition with outside labor. Nothing in  
24 this section shall be construed to prohibit the department from  
25 exchanging Department of Correctional Services-made goods with other  
26 states. Goods received from divisions of corrections outside of Nebraska  
27 shall be of the same status and will be subject to the same restrictions  
28 and penalties as if they had been manufactured in the Nebraska Department  
29 of Correctional Services. In cases of exchange of Department of  
30 Correctional Services-made goods with other states, the department is  
31 authorized to pay or receive in cash any differences that may exist in

1 the articles exchanged, the amounts paid or received to be charged or  
2 credited to the Correctional Industries Revolving Fund. In exchange of  
3 Department of Correctional Services-made goods with other states, the  
4 goods received in exchange shall be restricted to such use and needs as  
5 may be required in the various institutions under the jurisdiction of the  
6 department. Any authorized agency, bureau, commission, or department of  
7 the federal government or any charitable, fraternal, or nonprofit  
8 corporation may purchase from the Department of Correctional Services  
9 goods produced or manufactured by offenders confined in facilities of the  
10 Department of Correctional Services, or elsewhere, including products of  
11 any farms operated by the department.

12 Sec. 48. Section 85-2605, Revised Statutes Supplement, 2023, is  
13 amended to read:

14 85-2605 (1) Each legal dependent who is a tuition waiver recipient  
15 under the First Responder Recruitment and Retention Act shall execute an  
16 agreement with the state. Such agreement shall be exempt from the  
17 requirements of the State Procurement Act ~~sections 73-501 to 73-510~~ and  
18 shall include the following terms, as appropriate:

19 (a) The tuition waiver recipient agrees to reside within the State  
20 of Nebraska for a period of five years following the use of the tuition  
21 waiver;

22 (b) Each year during the five-year period following use of the  
23 tuition waiver the tuition waiver recipient agrees to file a tax return  
24 with the Department of Revenue to document that such recipient still  
25 resides in the State of Nebraska;

26 (c) If the tuition waiver recipient fails to annually file a tax  
27 return to prove residency in the State of Nebraska for the five-year  
28 period following the use of the tuition waiver or fails to remain a  
29 resident of Nebraska for the five-year period following the use of the  
30 tuition waiver, the tuition waiver recipient agrees to repay the  
31 community college, state college, or state university that such tuition

1 waiver recipient attended the amount of tuition that was waived for such  
2 individual if the community college, state college, or state university  
3 requests such payment on the dates and in the amounts requested; and

4 (d) Any residency, filing, or payment obligation incurred by the  
5 tuition waiver recipient under the First Responder Recruitment and  
6 Retention Act is canceled in the event of the tuition recipient's total  
7 and permanent disability or death.

8 (2) The five-year residency requirement begins to run after use of  
9 the first tuition waiver and:

10 (a) Completion of the five-year tuition waiver eligibility;

11 (b) Completion of an undergraduate degree at a state college or  
12 state university;

13 (c) Completion of a two-year degree at a community college and  
14 notification by the tuition waiver recipient to the Department of Revenue  
15 that such recipient does not intend to pursue an undergraduate degree or  
16 additional two-year degree using tuition waivers pursuant to the First  
17 Responder Recruitment and Retention Act; or

18 (d) Notification by the tuition waiver recipient to the Department  
19 of Revenue that such recipient does not plan to use additional tuition  
20 waivers pursuant to the First Responder Recruitment and Retention Act.

21 Sec. 49. Section 85-3106, Revised Statutes Supplement, 2023, is  
22 amended to read:

23 85-3106 (1)(a) Prior to receiving any money from a loan pursuant to  
24 the Attracting Excellence to Teaching Program, an eligible student shall  
25 enter into a contract with the commission. Such contract shall be exempt  
26 from the requirements of the State Procurement Act sections 73-501 to  
27 ~~73-510~~.

28 (b) For eligible students who applied for the first time prior to  
29 April 23, 2009, the contract shall require that if (i) the borrower is  
30 not employed as a teacher in Nebraska for a time period equal to the  
31 number of years required for loan forgiveness pursuant to subsection (2)

1 of this section and is not enrolled as a full-time student in a graduate  
2 program within six months after obtaining an undergraduate degree for  
3 which a loan from the program was obtained or (ii) the borrower does not  
4 complete the requirements for graduation within five consecutive years  
5 after receiving the initial loan under the program, then the loan must be  
6 repaid, with interest at the rate fixed pursuant to section 45-103  
7 accruing as of the date the borrower signed the contract, and an  
8 appropriate penalty as determined by the commission may be assessed. If a  
9 borrower fails to remain enrolled at an eligible institution or otherwise  
10 fails to meet the requirements of an eligible student, repayment of the  
11 loan shall commence within six months after such change in eligibility.  
12 The commission may by rules and regulations provide for exceptions to the  
13 conditions of repayment pursuant to this subdivision based upon  
14 mitigating circumstances.

15 (c) For eligible students who apply for the first time on or after  
16 April 23, 2009, the contract shall require that if (i) the borrower is  
17 not employed as a full-time teacher teaching in an approved or accredited  
18 school in Nebraska and teaching at least a portion of the time in the  
19 shortage area for which the loan was received for a time period equal to  
20 the number of years required for loan forgiveness pursuant to subsection  
21 (3) of this section or is not enrolled as a full-time student in a  
22 graduate program within six months after obtaining an undergraduate  
23 degree for which a loan from the program was obtained or (ii) the  
24 borrower does not complete the requirements for graduation within five  
25 consecutive years after receiving the initial loan under the program,  
26 then the loan shall be repaid with interest at the rate fixed pursuant to  
27 section 45-103 accruing as of the date the borrower signed the contract  
28 and actual collection costs as determined by the commission. If a  
29 borrower fails to remain enrolled at an eligible institution or otherwise  
30 fails to continue to be an eligible student, repayment of the loan shall  
31 commence within six months after such change in eligibility. The

1 commission may by rule and regulation provide for exceptions to the  
2 conditions of repayment pursuant to this subdivision based upon  
3 mitigating circumstances.

4 (2) If the borrower applied for the first time prior to April 23,  
5 2009, and (a) successfully completes the teacher education program and  
6 becomes certified pursuant to sections 79-806 to 79-815, (b) becomes  
7 employed as a teacher in this state within six months of becoming  
8 certified, and (c) otherwise meets the requirements of the contract,  
9 payments shall be suspended for the number of years that the borrower is  
10 required to remain employed as a teacher in this state under the  
11 contract. For each year that the borrower teaches in Nebraska pursuant to  
12 the contract, payments shall be forgiven in an amount equal to the amount  
13 borrowed for one year, except that if the borrower teaches in a school  
14 district that is in a local system classified as very sparse as defined  
15 in section 79-1003 or teaches in a school district in which at least  
16 forty percent of the students are poverty students as defined in section  
17 79-1003, payments shall be forgiven each year in an amount equal to the  
18 amount borrowed for two years.

19 (3)(a) If the borrower applies for the first time on or after April  
20 23, 2009, and (i) successfully completes the teacher education program  
21 and major for which the borrower is receiving a forgivable loan pursuant  
22 to the program and becomes certified pursuant to sections 79-806 to  
23 79-815 with an endorsement in the shortage area for which the loan was  
24 received, (ii) becomes employed as a full-time teacher teaching at least  
25 a portion of the time in the shortage area for which the loan was  
26 received in an approved or accredited school in this state within six  
27 months of becoming certified, and (iii) otherwise meets the requirements  
28 of the contract, payments shall be suspended for the number of years that  
29 the borrower is required to remain employed as a teacher in this state  
30 under the contract.

31 (b) Beginning after the first two years of teaching full-time in

1 Nebraska following graduation for the degree for which the loan was  
2 received, for each year that the borrower teaches full-time in Nebraska  
3 pursuant to the contract, the loan shall be forgiven in an amount equal  
4 to three thousand dollars, except that if the borrower teaches full-time  
5 in a school district that is in a local system classified as very sparse  
6 as defined in section 79-1003, teaches in a school building that provides  
7 free meals to all students pursuant to the community eligibility  
8 provision, teaches in a school building in which at least forty percent  
9 of the formula students are poverty students as defined in section  
10 79-1003, or teaches in an accredited or approved private school in  
11 Nebraska in which at least forty percent of the enrolled students  
12 qualified for free lunches as determined by the most recent data  
13 available from the commission, payments shall be forgiven each year in an  
14 amount equal to six thousand dollars.

15 (4) Beginning on August 1, 2022, if the borrower provides service as  
16 a pre-service teacher intern for a full academic semester as part of a  
17 clinical experience within an accredited or approved public, private,  
18 denominational, or parochial school in Nebraska and subsequently passes  
19 all related semester requirements, then the loan shall be forgiven in an  
20 amount equal to one thousand dollars for such borrower.

21 Sec. 50. Section 85-3110, Revised Statutes Supplement, 2023, is  
22 amended to read:

23 85-3110 (1) Prior to receiving any money from a loan pursuant to the  
24 Enhancing Excellence in Teaching Program, an eligible student shall enter  
25 into a contract with the commission. Such contract shall be exempt from  
26 the requirements of the State Procurement Act sections 73-501 to 73-510.  
27 The contract shall require that if (a) the borrower is not employed as a  
28 full-time teacher teaching in an approved or accredited school in  
29 Nebraska for a time period equal to the number of years required for loan  
30 forgiveness pursuant to subsection (2) of this section or (b) the  
31 borrower does not complete the requirements for graduation, for the

1 additional secular teaching endorsement, or for the approval to teach  
2 postsecondary courses by a Nebraska postsecondary educational institution  
3 within five consecutive years after receiving the initial loan under the  
4 program, then the loan shall be repaid, with interest at the rate fixed  
5 pursuant to section 45-103 accruing as of the date the borrower signed  
6 the contract and actual collection costs as determined by the commission.  
7 If a borrower fails to remain enrolled at an eligible institution or  
8 otherwise fails to meet the requirements of an eligible student,  
9 repayment of the loan shall commence within six months after such change  
10 in eligibility. The commission may by rules and regulations provide for  
11 exceptions to the conditions of repayment pursuant to this subsection  
12 based upon mitigating circumstances.

13 (2)(a) If the borrower (i) successfully completes the eligible  
14 graduate program for which the borrower is receiving a forgivable loan  
15 pursuant to the Enhancing Excellence in Teaching Program and maintains  
16 certification pursuant to sections 79-806 to 79-815, (ii) maintains  
17 employment as a teacher in an approved or accredited school in this  
18 state, and (iii) otherwise meets the requirements of the contract,  
19 payments shall be suspended for the number of years that the borrower is  
20 required to remain employed as a teacher in this state under the  
21 contract.

22 (b) For recipients who received funds for the first time prior to  
23 July 1, 2016, beginning after the first two years of teaching full-time  
24 in Nebraska following graduation for the degree for which the loan was  
25 received, for each year that the borrower teaches full-time in Nebraska  
26 pursuant to the contract, the loan shall be forgiven in an amount equal  
27 to three thousand dollars, except that if the borrower teaches full-time  
28 in a school district that is in a local system classified as very sparse  
29 as defined in section 79-1003, teaches in a school building that provides  
30 free meals to all students pursuant to the community eligibility  
31 provision, teaches in a school building in which at least forty percent

1 of the students are poverty students as defined in section 79-1003, or  
2 teaches in an accredited or approved private school in Nebraska in which  
3 at least forty percent of the enrolled students qualified for free  
4 lunches as determined by the most recent data available from the State  
5 Department of Education, payments shall be forgiven each year in an  
6 amount equal to six thousand dollars.

7 (c) For recipients who received funds for the first time on or after  
8 July 1, 2016, beginning after the first two years of teaching full-time  
9 in Nebraska following completion of the eligible graduate program for  
10 which the loan was received, for each year that the borrower teaches  
11 full-time in Nebraska pursuant to the contract, the loan shall be  
12 forgiven in an amount equal to one thousand five hundred dollars, except  
13 that if the borrower teaches full-time in a school district that is in a  
14 local system classified as very sparse as defined in section 79-1003,  
15 teaches in a school building in which at least forty percent of the  
16 students are poverty students as defined in section 79-1003, teaches in a  
17 school building that provides free meals to all students pursuant to the  
18 community eligibility provision, or teaches in an accredited private  
19 school or educational service unit or an approved private school in  
20 Nebraska in which at least forty percent of the enrolled students  
21 qualified for free lunches as determined by the most recent data  
22 available from the State Department of Education, payments shall be  
23 forgiven each year in an amount equal to one thousand five hundred  
24 dollars for the first year of loan forgiveness and three thousand dollars  
25 for each year of loan forgiveness thereafter.

26 Sec. 51. The Revisor of Statutes shall assign:

27 (1) Sections 1 to 19 of this act to a new article in Chapter 73; and

28 (2) Sections 34 to 39 of this act to Chapter 81, article 1.

29 Sec. 52. Original sections 16-321.01, 17-568.02, 57-1503, 60-3,100,  
30 70-1033, 71-5667, 73-101, 73-301, 73-501, 73-502, 73-503, 73-504, 73-505,  
31 73-506, 73-507, 73-508, 73-509, 73-510, 73-603, 81-154.01, 81-156,

1 81-161, 81-161.01, 81-161.02, 81-162, 81-1101, 81-1102, 81-1108.10,  
2 81-1108.16, 81-1109, 81-1118.01, 81-1118.05, 81-1118.07, and 83-145,  
3 Reissue Revised Statutes of Nebraska, sections 66-1009, 81-153,  
4 81-161.03, 81-1119, 81-1120, and 81-3721, Revised Statutes Cumulative  
5 Supplement, 2022, and sections 71-5666, 71-5668, 71-5669.01, 81-145,  
6 81-1118, 81-1118.02, 85-2605, 85-3106, and 85-3110, Revised Statutes  
7 Supplement, 2023, are repealed.

8 Sec. 53. The following sections are outright repealed: Sections  
9 73-101.01, 73-101.02, 81-146, 81-159, 81-1118.03, 81-1118.04, and  
10 81-1118.06, Reissue Revised Statutes of Nebraska, and sections 73-701 and  
11 81-154, Revised Statutes Cumulative Supplement, 2022.

12 2. On page 1, strike beginning with "the" in line 1 through line 18  
13 and insert "government procurement; to amend sections 16-321.01,  
14 17-568.02, 57-1503, 60-3,100, 70-1033, 71-5667, 73-101, 73-301, 73-501,  
15 73-502, 73-503, 73-504, 73-505, 73-506, 73-507, 73-508, 73-509, 73-510,  
16 73-603, 81-154.01, 81-156, 81-161, 81-161.01, 81-161.02, 81-162, 81-1101,  
17 81-1102, 81-1108.10, 81-1108.16, 81-1109, 81-1118.01, 81-1118.05,  
18 81-1118.07, and 83-145, Reissue Revised Statutes of Nebraska, sections  
19 66-1009, 81-153, 81-161.03, 81-1119, 81-1120, and 81-3721, Revised  
20 Statutes Cumulative Supplement, 2022, and sections 71-5666, 71-5668,  
21 71-5669.01, 81-145, 81-1118, 81-1118.02, 85-2605, 85-3106, and 85-3110,  
22 Revised Statutes Supplement, 2023; to name an act; to change, transfer,  
23 and eliminate provisions relating to the materiel division of the  
24 Department of Administrative Services and procurement of services and  
25 personal property; to provide, change, and eliminate definitions; to  
26 eliminate a resident bidder preference; to eliminate obsolete provisions;  
27 to harmonize provisions; to provide duties for the Revisor of Statutes;  
28 to repeal the original sections; and to outright repeal sections  
29 73-101.01, 73-101.02, 81-146, 81-159, 81-1118.03, 81-1118.04, and  
30 81-1118.06, Reissue Revised Statutes of Nebraska, and sections 73-701 and  
31 81-154, Revised Statutes Cumulative Supplement, 2022."