

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 461**

FINAL READING

Introduced by Arch, 14; Cavanaugh, M., 6; Brewer, 43.

Read first time January 13, 2023

Committee: Government, Military and Veterans Affairs

1 A BILL FOR AN ACT relating to government procurement; to amend sections  
2 16-321.01, 17-568.02, 57-1503, 60-3,100, 70-1033, 71-5667, 73-101,  
3 73-301, 73-501, 73-502, 73-503, 73-504, 73-505, 73-506, 73-507,  
4 73-508, 73-509, 73-510, 73-603, 81-154.01, 81-156, 81-161,  
5 81-161.01, 81-161.02, 81-162, 81-1101, 81-1102, 81-1108.10,  
6 81-1108.16, 81-1109, 81-1118.01, 81-1118.05, 81-1118.07, and 83-145,  
7 Reissue Revised Statutes of Nebraska, sections 66-1009, 81-153,  
8 81-161.03, 81-1119, 81-1120, and 81-3721, Revised Statutes  
9 Cumulative Supplement, 2022, and sections 71-5666, 71-5668,  
10 71-5669.01, 81-145, 81-1118, 81-1118.02, 85-2605, 85-3106, and  
11 85-3110, Revised Statutes Supplement, 2023; to name an act; to  
12 change, transfer, and eliminate provisions relating to the materiel  
13 division of the Department of Administrative Services and  
14 procurement of services and personal property; to provide, change,  
15 and eliminate definitions; to eliminate a resident bidder  
16 preference; to eliminate obsolete provisions; to harmonize  
17 provisions; to provide duties for the Revisor of Statutes; to repeal  
18 the original sections; and to outright repeal sections 73-101.01,  
19 73-101.02, 81-146, 81-159, 81-1118.03, 81-1118.04, and 81-1118.06,  
20 Reissue Revised Statutes of Nebraska, and sections 73-701 and  
21 81-154, Revised Statutes Cumulative Supplement, 2022.

22 Be it enacted by the people of the State of Nebraska,

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

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

5           ~~73-501~~ The purposes of the State Procurement Act ~~sections 73-501 to~~  
6 ~~73-510~~ are to establish a standardized, open, and fair process for  
7 selection of contracts ~~contractual services, using performance-based~~  
8 ~~contracting methods to the maximum extent practicable,~~ and to create an  
9 accurate reporting of expended funds for such contracts ~~contractual~~  
10 ~~services~~. This process shall promote a standardized method of selection  
11 for state contracts ~~for services~~, assuring a fair assessment of  
12 qualifications and capabilities for project completion or compliance with  
13 specifications. There shall also be an accountable, efficient reporting  
14 method of expenditures for these contracts ~~services~~.

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

17           ~~73-502~~ For purposes of the State Procurement Act ~~sections 73-501 to~~  
18 ~~73-510~~:

19           (1) Contract includes any contract for services and contract for  
20 personal property;

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

26           (3) (1) Contract for services means any contract that directly  
27 engages the time or effort of an independent contractor whose purpose is  
28 to perform an identifiable task, study, or report rather than to furnish  
29 an end item of supply, goods, equipment, or material;

30           (4) Cooperative agreement means a legal instrument reflecting a  
31 relationship between the State of Nebraska and any other entity where (a)

1 the principal purpose of the relationship is to transfer a thing of value  
2 to the entity to carry out a public purpose of support or stimulation by  
3 law instead of acquiring property or services for the direct benefit of  
4 the State of Nebraska and (b) substantial involvement is expected between  
5 the State of Nebraska and the entity when carrying out the activity  
6 contemplated in the agreement;

7 (5) ~~(2)~~ Division means the materiel division of the Department of  
8 Administrative Services;

9 (6) ~~(3)~~ Emergency means necessary to meet an urgent or unexpected  
10 requirement or when health and public safety or the conservation of  
11 public resources is at risk;

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

20 (8) ~~(4)~~ Occasional means seasonal, irregular, or fluctuating in  
21 nature;

22 (9) Personal property includes all materials, supplies, furniture,  
23 equipment, printing, stationery, automotive and road equipment, and other  
24 chattels, goods, wares, and merchandise;

25 (10) ~~(5)~~ Sole source means of such a unique nature that the  
26 contractor selected is clearly and justifiably the only practicable  
27 source to provide the service or personal property. Determination that  
28 the contractor selected is justifiably the sole source is based on either  
29 the uniqueness of the service or personal property or sole availability  
30 at the location required;

31 (11) ~~(6)~~ State agency means any agency, board, or commission of this

1 state, except for the University of Nebraska or the Nebraska state  
2 colleges. For purposes of procurement of services, state agency does not  
3 include other than the University of Nebraska, the Nebraska state  
4 colleges, the courts, the Legislature, or any officer or state agency  
5 established by the Constitution of Nebraska; and

6 (12) ~~(7)~~ Temporary means a finite period of time with respect to a  
7 specific task or result relating to a contract for services.

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

10 ~~81-1118.05~~ The materiel division of the Department of Administrative  
11 Services shall:

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

14 (2) Maintain a record and written justification of purchases as  
15 follows:

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

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

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

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

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

24 ~~73-505~~ State agency directors shall be responsible for maintaining  
25 accurate documentation of the process used for selection of all contracts  
26 ~~for services~~ and for ensuring and documenting that services and personal  
27 property required under the contract are being performed or provided in  
28 compliance with the terms of the contract ~~for services~~. Such  
29 documentation shall be kept with each contract ~~for services~~.

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

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

9           (2) The requirements of this section also apply to the courts, the  
10 Legislature, and any officer or state agency established by the  
11 Constitution of Nebraska, but not to the University of Nebraska or the  
12 Nebraska state colleges.

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

15           (3) ~~(4)~~ The Director of Administrative Services shall establish a  
16 centralized database, either through the state accounting system or  
17 through an alternative system, which specifically identifies where a copy  
18 of each contract ~~for services~~ may be found.

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

21           ~~73-504~~ Except as provided in section 13 of this act ~~73-507~~:

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

26           (2) All proposed state agency contracts ~~for services~~ in excess of  
27 fifty thousand dollars shall be bid by a competitive formal bidding  
28 process in the manner prescribed by the division procurement manual or a  
29 process approved by the Director of Administrative Services. Bidding for  
30 contracts for services may be performed at the state agency level or by  
31 the division. The division shall administer the public notice and bidding

1 ~~procedures for any contract for personal property Any state agency may~~  
2 ~~request that the division conduct the competitive bidding process;~~

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

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

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

19 (6) When the division is responsible for the procurement of services  
20 or personal property, the state agency shall at the time, in the form,  
21 and for the periods prescribed by the division, present to the division a  
22 detailed requisition for all services and personal property to be  
23 contracted.

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

26 ~~81-161~~ (1) All purchases, leases, or contracts which by law are  
27 required to be based on competitive bids shall be made only to the lowest  
28 responsible bidders ~~bidder~~, taking into consideration, as applicable:

29 (a) The ~~the~~ best interests of the state; τ

30 (b) The ~~the~~ quality or performance of the personal property or  
31 services proposed to be supplied; τ

- 1        (c) The its conformity with the solicitation; specifications,  
2        (d) The the purposes for which required; ÷  
3        (e) The and the times of delivery; ÷  
4        (f) The life-cycle costs of the personal property in relation to the  
5 purchase price and specific use of the item;  
6        (g) The performance of the personal property, taking into  
7 consideration any commonly accepted tests and standards of product  
8 usability and user requirements;  
9        (h) The energy efficiency ratio as stated by the bidder for  
10 alternative choices of appliances or equipment;  
11        (i) The information furnished by each bidder concerning life-cycle  
12 costs between alternatives for all classes of equipment, evidence of  
13 expected life, repair and maintenance costs, and energy consumption on a  
14 per-year basis;  
15        (j) The results of the United States Environmental Protection Agency  
16 tests on fleet performance of motor vehicles. Each bidder shall furnish  
17 information relating to such results; and  
18        (k) Such other information as may be secured having a bearing on the  
19 decision to award the contract.  
20        (2) In determining responsibility the lowest responsible bidder, in  
21 addition to price, the following elements shall be given consideration:  
22        (a) The ability, capacity, and skill of the bidder to perform the  
23 contract required;  
24        (b) The character, integrity, reputation, judgment, experience, and  
25 efficiency of the bidder;  
26        (c) Whether the bidder can perform the contract within the time  
27 specified;  
28        (d) The quality of performance of previous contracts; and  
29        (e) The previous and existing compliance by the bidder with laws  
30 relating to the contract. ÷  
31        ~~(f) The life-cycle costs of the personal property in relation to the~~

1 ~~purchase price and specific use of the item;~~

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

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

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

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

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

16 ~~(3) (2)~~ Any appliance purchased or leased pursuant to this section  
17 shall be energy star certified, except that the materiel administrator  
18 may exempt the purchase or lease of an appliance from this subsection if  
19 he or she determines that the cost of compliance would exceed the  
20 projected energy cost savings.

21 ~~(4) (3)~~ All political subdivisions may follow the procurement  
22 principles set forth in this section if they are deemed applicable by the  
23 official authorized to make purchases for such political subdivision.

24 ~~(5) (4)~~ For purposes of this section, energy star certified means  
25 approval of energy usage by the United States Environmental Protection  
26 Agency and the United States Department of Energy. Such approval may be  
27 signified by the display of the energy star label.

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

30 ~~81-161.01~~ (1) A minimum of fifteen days shall elapse between the  
31 time formal bids are advertised and the time of their opening, except



1 that this requirement may be waived by the materiel administrator upon a  
2 showing by the state ~~using~~ agency of an emergency, sole or specialized  
3 source, or other unique requirement.

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

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

11 ~~81-161.02~~ (1) For the purposes of this section:

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

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

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

20 (3) In considering whether a bid's price is not reasonable or not  
21 realistic, a state agency may consider factors, including prices bid by  
22 other bidders, the fair market value of the products or services, the  
23 availability of the products or services, historical prices, or  
24 independent cost estimates materiel division. The materiel division may  
25 reject the bid of any bidder who has failed to perform a previous  
26 contract with the state. In any case where competitive bids are required  
27 and all bids are rejected, and the proposed purchase is not abandoned,  
28 new bids shall be solicited.

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

31 ~~81-162~~ A contract for personal property ~~Contracts for purchases or~~

1 ~~leases~~ may be made in any of the following forms:

2 (1) For the furnishing of specific personal property at specific  
3 prices;

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

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

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

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

14 ~~73-506~~ State agency contracts ~~for services~~ shall be subject to the  
15 following requirements:

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

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

27 (3) State agencies shall not structure contracts ~~for services~~ to  
28 avoid any of the requirements of the State Procurement Act sections  
29 ~~73-501 to 73-510~~; and

30 (4) State agencies shall not enter into contracts ~~for services~~ in  
31 excess of fifteen million dollars unless the state agency has complied

1 with section 17 of this act; ~~73-510.~~

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

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

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

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

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

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

18 (8) State agencies shall use contracts designated by the division  
19 for statewide use, unless otherwise permitted by the materiel  
20 administrator; and

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

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

26 ~~73-507~~ (1) Subject to review by the Director of Administrative  
27 Services, the division shall provide procedures to grant limited  
28 exceptions from sections 7, 15, and 16 of this act ~~73-504, 73-508, and~~  
29 ~~73-509~~ for:

30 (a) Sole source contracts, emergency contracts, and contracts for  
31 services when the price has been established by the federal General

1 Services Administration or competitively bid by another state or group of  
2 states, a group of states and any political subdivision of any other  
3 state, a political subdivision of another state, or a cooperative  
4 purchasing organization on behalf of a group of states or political  
5 subdivisions of other states; and

6 (b) Other circumstances or specific contracts when any of the  
7 requirements of sections 7, 15, and 16 of this act ~~73-504, 73-508, and~~  
8 ~~73-509~~ are not appropriate for or are not compatible with the  
9 circumstances or contract. The division shall provide a written rationale  
10 which shall be kept on file when granting an exception under this  
11 subdivision.

12 (2) The following types of contracts ~~for services~~ are not subject to  
13 sections 7, 15, 16, and 17 of this act ~~73-504, 73-508, 73-509, and~~  
14 ~~73-510~~:

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

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

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

24 (d) Grant agreements or cooperative agreements ~~Contracts involving~~  
25 ~~state or federal financial assistance passed through by a state agency to~~  
26 ~~a political subdivision;~~

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

30 (f) Agreements for services to be performed for a state agency by  
31 another state or local government agency or contracts made by a state

1 agency with a local government agency for the direct provision of  
2 services to the public;

3 (g) Agreements for services between a state agency and the  
4 University of Nebraska, the Nebraska state colleges, the courts, the  
5 Legislature, or other officers or state agencies established by the  
6 Constitution of Nebraska;

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

11 (i) Department of Transportation contracts for all road and bridge  
12 projects;

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

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

15 (l) Contracts for the erection of, construction of, renovation of,  
16 repair of, or addition to any building; for original equipment for any  
17 building; for the construction of any road or bridge; or for the  
18 performance of any work related to such contracts;

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

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

24 (o) Contracts for works of art;

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

26 (q) Direct or miscellaneous purchases pursuant to section 14 of this  
27 act.

28 Sec. 14. Section 81-161.03, Revised Statutes Cumulative Supplement,  
29 2022, is amended to read:

30 ~~81-161.03~~ (1) The materiel division may, by written order, permit  
31 purchases, contracts, or leases to be made by any state using agency

1 directly with the vendor or supplier whenever it appears to the  
2 satisfaction of the ~~materiel~~ division that, because of the unique nature  
3 of the personal property, the price in connection therewith, the quantity  
4 to be purchased, the location of the state ~~using~~ agency, the time of the  
5 use of the personal property, or any other circumstance, the interests of  
6 the state will be served better by purchasing or contracting direct~~than~~  
7 through the ~~materiel~~ division.

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

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

22 (4) The Department of Correctional Services may purchase raw  
23 materials, supplies, component parts, and equipment perishables directly  
24 for industries established pursuant to section 83-183, whether such  
25 purchases are made to fill specific orders or for general inventories.  
26 Any such purchase shall not exceed fifty thousand dollars. The department  
27 shall comply with the bidding process of the ~~materiel~~ division and shall  
28 be subject to audit by the ~~materiel~~ division for such purchases.

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

31 ~~73-508~~ Except as provided in section 13 of this act ~~73-507~~, all

1 proposals for sole source contracts for services in excess of fifty  
2 thousand dollars shall be preapproved by the division except in  
3 emergencies. In case of an emergency, contract approval by the state  
4 agency director or his or her designee is required. A copy of the  
5 contract and state agency justification of the emergency shall be  
6 provided to the Director of Administrative Services within three business  
7 days after contract approval. The state agency shall retain a copy of the  
8 justification with the contract in the state agency files. The Director  
9 of Administrative Services shall maintain a complete record of such sole  
10 source contracts for services.

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

13 ~~73-509~~ Each proposed contract for services in excess of fifty  
14 thousand dollars which requests services that are now performed or have,  
15 within the year immediately preceding the date of the proposed contract,  
16 been performed by a state employee covered by the classified personnel  
17 system or by any labor contract shall use a pre-process prescribed by the  
18 division. The pre-process shall include evaluation of the displacement of  
19 the employee of the state agency or position held by the employee of the  
20 state agency within the preceding year and of the disadvantages of such a  
21 contract for services against the expected advantages, whether economic  
22 or otherwise. Documentation of each evaluation shall be maintained in the  
23 contract file by the state agency.

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

26 ~~73-510~~ (1) A state agency shall not enter into a new proposed  
27 contract for services in excess of fifteen million dollars unless until  
28 the state agency has conducted, prior to the advertisement for bids or  
29 the execution of the contract when section 13 of this act applies, a  
30 ~~submitted to the division a copy of the proposed contract and proof-of-~~  
31 ~~need analysis described in this section and has subsequently received~~

1 ~~certification from the division to enter into the contract.~~

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

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

15       (a) ~~A description of the service that is the subject of the proposed~~  
16 ~~contract;~~

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

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

22       (d) ~~An explanation of the process by which the state agency will~~  
23 ~~include adequate control mechanisms to ensure that the services are~~  
24 ~~provided pursuant to the terms of the contract, including a description~~  
25 ~~of the method by which the control mechanisms will ensure the quality of~~  
26 ~~services provided by the contract;~~

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

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

31       (g) ~~An assessment of the feasibility of alternatives within the~~



1 state agency to contract for performance of the services;

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

3 (i) The proposed contract will not result in cost savings to the  
4 state; and

5 (ii) The public's interest in having the particular service  
6 performed directly by the state agency exceeds the public's interest in  
7 the proposed contract;

8 (i) Any federal requirements that the service be provided by a  
9 person other than the state agency;

10 (j) Demonstration by the state agency that it has taken formal and  
11 positive steps to consider alternatives to such contract, including  
12 reorganization, reevaluation of services, and reevaluation of  
13 performance; and

14 (k) A description of any relevant legal issues, including barriers  
15 to contracting for the service or requirements that the state agency  
16 contract for the service.

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

26 (4) If the division certifies a proof of need analysis pursuant to  
27 this section, the state agency shall file the proposed contract, proof-  
28 of-need analysis, and proof of certification with the Legislative Fiscal  
29 Analyst.

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

1       ~~81-154.01~~ The ~~materiel~~ division shall make available copies of  
2 current purchase agreements and standard specifications to the University  
3 of Nebraska. The University of Nebraska may utilize such purchase  
4 agreements if it determines that it would be to its advantage to do so.  
5 The ~~materiel~~ division may utilize purchase agreements entered into by the  
6 University of Nebraska upon a finding by the materiel administrator that  
7 the use of such agreements would be in the best interests of the state.  
8 For purposes of this section, purchase agreements do not include  
9 contracts for personal services subject to sections 73-301 to 73-307.

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

12       ~~81-156~~ The fee, required by any state or other laboratory for any  
13 analysis or test made by any prospective vendor prior to the award of a  
14 contract, shall be paid by such prospective vendor.

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

17       16-321.01 Any municipal bidding procedure may be waived by the city  
18 council or board of public works of a city of the first class (1) when  
19 materials or equipment are purchased at the same price and from the same  
20 seller as materials or equipment which have formerly been obtained  
21 pursuant to the state bidding procedure in the State Procurement Act  
22 ~~sections 81-145 to 81-162~~, (2) when the contract is negotiated directly  
23 with a sheltered workshop pursuant to section 48-1503, or (3) when  
24 required to comply with any federal grant, loan, or program.

25       Sec. 21. Section 17-568.02, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27       17-568.02 Any municipal bidding procedure may be waived by the city  
28 council, village board of trustees, or board of public works (1) when  
29 materials or equipment are purchased at the same price and from the same  
30 seller as materials or equipment which have formerly been obtained  
31 pursuant to the state bidding procedure in the State Procurement Act

1 ~~sections 81-145 to 81-162~~, (2) when the contract is negotiated directly  
2 with a sheltered workshop pursuant to section 48-1503, or (3) when  
3 required to comply with any federal grant, loan, or program.

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

6 57-1503 (1)(a) The department may:

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

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

25 (b) A pipeline carrier that has submitted a route for evaluation or  
26 review pursuant to subdivision (1)(a) of this section shall reimburse the  
27 department for the cost of the evaluation or review within sixty days  
28 after notification from the department of the cost. The department shall  
29 remit any reimbursement to the State Treasurer for credit to the  
30 Environmental Cash Fund.

31 (2) The department may contract with outside vendors in the process

1 of preparation of a supplemental environmental impact statement or an  
2 evaluation conducted under subdivision (1)(a) of this section. The  
3 department shall make every reasonable effort to ensure that each vendor  
4 has no conflict of interest or relationship to any pipeline carrier that  
5 applies for an oil pipeline permit.

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

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

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

31 Sec. 23. Section 60-3,100, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2           60-3,100 (1) The department shall issue to every person whose motor  
3 vehicle or trailer is registered one or two fully reflectorized license  
4 plates upon which shall be displayed (a) the registration number  
5 consisting of letters and numerals assigned to such motor vehicle or  
6 trailer in figures not less than two and one-half inches nor more than  
7 three inches in height and (b) also the word Nebraska suitably lettered  
8 so as to be attractive. The license plates shall be of a color designated  
9 by the director. The color of the plates shall be changed each time the  
10 license plates are changed. Each time the license plates are changed, the  
11 director shall secure competitive bids for materials pursuant to the  
12 State Procurement Act ~~sections 81-145 to 81-162~~. Autocycle, motorcycle,  
13 minitruck, low-speed vehicle, and trailer license plate letters and  
14 numerals may be one-half the size of those required in this section.

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

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

22           (c)(i) One license plate shall be issued, upon request and  
23 compliance with this subdivision, for any passenger car which is not  
24 manufactured to be equipped with a bracket on the front of the vehicle to  
25 display a license plate. A license decal shall be issued with the license  
26 plate as provided in subdivision (ii) of this subdivision and shall be  
27 displayed on the driver's side of the windshield. In order to request a  
28 single license plate and license decal, there shall be an additional  
29 annual nonrefundable registration fee of fifty dollars plus the cost of  
30 the decal paid to the county treasurer at the time of registration. All  
31 fees collected under this subdivision shall be remitted to the State

1 Treasurer for credit to the Highway Trust Fund.

2 (ii) The department shall design, procure, and furnish to the county  
3 treasurers a license decal which shall be displayed as evidence that a  
4 license plate has been obtained under this subdivision. Each county  
5 treasurer shall furnish a license decal to the person obtaining the  
6 plate.

7 (d) When two license plates are issued, one shall be prominently  
8 displayed at all times on the front and one on the rear of the registered  
9 motor vehicle or trailer. When only one plate is issued, it shall be  
10 prominently displayed on the rear of the registered motor vehicle or  
11 trailer. When only one plate is issued for motor vehicles registered  
12 pursuant to section 60-3,198 and truck-tractors, it shall be prominently  
13 displayed on the front of the apportionable vehicle.

14 Sec. 24. Section 66-1009, Revised Statutes Cumulative Supplement,  
15 2022, is amended to read:

16 66-1009 (1) A customer borrowing from a utility under a plan adopted  
17 pursuant to sections 66-1001 to 66-1011 shall be allowed to contract with  
18 the utility for a repayment plan and shall be offered a repayment period  
19 of not less than three years and not more than twenty years.

20 (2) Upon default on a loan by a customer, after expending reasonable  
21 efforts to collect, a utility may treat the entire unpaid contract amount  
22 as due, but services to a residential, agricultural, or commercial  
23 customer may not be terminated as a result of such default. Default  
24 occurs when any amount due a utility under a plan adopted pursuant to  
25 sections 66-1001 to 66-1011, 70-625, 70-704, ~~81-161~~, 81-1606 to 81-1626,  
26 and 84-162 to 84-167 is not paid within sixty days of the due date.

27 (3) Any customer obtaining a loan pursuant to section 66-1007 shall  
28 only use the funds to accomplish the purposes agreed upon at the time of  
29 the loan. If the borrower of any funds obtained pursuant to sections  
30 66-1001 to 66-1011 uses such funds in a manner or for a purpose not  
31 authorized by this section, the total amount of the loan shall

1 immediately become due and payable.

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

21 (5) Any loan made under a plan adopted pursuant to sections 66-1001  
22 to 66-1011 shall not exceed fifteen thousand dollars, subject to any  
23 existing limitations under federal law. Any loan to be made by a utility  
24 which exceeds ten thousand dollars shall only be made in participation  
25 with a bank pursuant to a contract. The utility and the participating  
26 bank shall determine the terms and conditions of the contract.

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

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

31 70-1033 (1) The Nebraska Power Review Board shall issue a request

1 for proposals to conduct the study provided for under sections 70-1029 to  
2 70-1033 after consultation with the working group as provided for in  
3 section 70-1032.

4 (2) Any contracts or agreements entered into under this section  
5 shall not be subject to the Nebraska Consultants' Competitive Negotiation  
6 Act, the State Procurement Act, or sections 73-301 to 73-306 ~~or 73-501 to~~  
7 ~~73-510~~.

8 (3) The Nebraska Power Review Board shall present the results of the  
9 study to the Executive Board of the Legislative Council with a copy to  
10 the Clerk of the Legislature and the Governor on or before December 15,  
11 2014. The report shall be submitted electronically.

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

14 71-5666 Each student loan recipient shall execute an agreement with  
15 the state. Such agreement shall be exempt from the requirements of the  
16 State Procurement Act ~~sections 73-501 to 73-510~~ and shall include the  
17 following terms, as appropriate:

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

24 (2) If the borrower practices an approved specialty in a designated  
25 health profession shortage area in Nebraska, the loan shall be forgiven  
26 as provided in this section and subdivision (4)(a) of section 71-5663.  
27 Practice in a designated area shall commence within three months of the  
28 completion of formal education, which may include a period not to exceed  
29 five years to complete specialty training in an approved specialty. The  
30 commission may approve exceptions to any period required for completion  
31 of training upon showing good cause. Loan forgiveness shall occur on a



1 quarterly basis, with completion of the equivalent of three months of  
2 full-time practice resulting in the cancellation of one-fourth of the  
3 annual loan amount. Part-time practice in a shortage area shall result in  
4 a prorated reduction in the cancellation of the loan amount;

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

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

27 (5) If the borrower discontinues the course of study for which the  
28 loan was granted, the borrower shall repay one hundred percent of the  
29 outstanding loan principal. Such repayment shall commence within six  
30 months of the date of discontinuation of the course of study and shall be  
31 completed within a period of time not to exceed the number of years for

1 which loans were awarded;

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

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

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

10 71-5667 Agreements executed prior to July 1, 2007, under the Rural  
11 Health Systems and Professional Incentive Act may be renegotiated and new  
12 agreements executed to reflect the terms required by section 71-5666. No  
13 funds repaid by borrowers under the terms of agreements executed prior to  
14 July 1, 2007, shall be refunded. Any repayments being made under the  
15 terms of prior agreements may be discontinued upon execution of a new  
16 agreement if conditions permit. Any agreement renegotiated pursuant to  
17 this section shall be exempt from the requirements of the State  
18 Procurement Act ~~sections 73-501 to 73-510~~.

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

21 71-5668 Each loan repayment recipient shall execute an agreement  
22 with the department and a local entity. Such agreement shall be exempt  
23 from the requirements of the State Procurement Act ~~sections 73-501 to~~  
24 ~~73-510~~ and shall include, at a minimum, the following terms:

25 (1) The loan repayment recipient agrees to practice his or her  
26 profession, and a physician, psychiatrist, dentist, nurse practitioner,  
27 or physician assistant also agrees to practice an approved specialty, in  
28 a designated health profession shortage area for at least three years, or  
29 the period required by subdivision (4)(c) of section 71-5663, and to  
30 accept medicaid patients in his or her practice;

31 (2) In consideration of the agreement by the recipient, the State of

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

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

22 (4) Any practice or payment obligation incurred by the loan  
23 repayment recipient under the loan repayment program is canceled in the  
24 event of the loan repayment recipient's total and permanent disability or  
25 death;

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

29 (6) Beginning on July 1, 2022, any agreements entered into by  
30 December 31, 2024, shall first use federal funds from the federal  
31 American Rescue Plan Act of 2021 for the purposes of repaying qualified

1 educational debts prior to using any state or local funds. Agreements  
2 using federal funds from the federal American Rescue Plan Act of 2021  
3 shall not require equal funding from a local entity. Any federal funds  
4 from the act committed to agreements during this time period shall be  
5 used by December 31, 2026.

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

8 71-5669.01 Each medical resident incentive recipient shall execute  
9 an agreement with the department. Such agreement shall be exempt from the  
10 requirements of the State Procurement Act ~~sections 73-501 to 73-510~~ and  
11 shall include, at a minimum, the following terms:

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

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

25 (3) If the medical resident incentive recipient extends his or her  
26 residency training but not in an approved specialty, practices an  
27 approved specialty in Nebraska but not in a designated health profession  
28 shortage area, practices a specialty other than an approved specialty in  
29 Nebraska, does not practice the profession for which the loan was given,  
30 discontinues practice of the profession for which the loan was given, or  
31 practices outside Nebraska, the medical resident incentive recipient

1 shall repay to the state one hundred fifty percent of the outstanding  
2 loan principal with interest at a rate of eight percent simple interest  
3 per year from the date of default. Such repayment shall commence within  
4 six months of the completion or discontinuation of an approved specialty  
5 residency training in Nebraska and shall be completed within a period not  
6 to exceed twice the number of years for which the medical resident  
7 incentive recipient received awards;

8 (4) Any practice or payment obligation incurred by the medical  
9 resident incentive recipient under the medical resident incentive program  
10 is canceled in the event of the medical resident incentive recipient's  
11 total and permanent disability or death; and

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

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

17 73-101 Whenever the State of Nebraska, or any department or any  
18 agency thereof, any county board, county clerk, county highway  
19 superintendent, the mayor and city council or commissioner of any  
20 municipality, any entity created pursuant to the Interlocal Cooperation  
21 Act or the Joint Public Agency Act, or the officers of any school  
22 district, township, or other governmental subdivision, shall advertise  
23 for bids in pursuance of any statutes of the State of Nebraska, on any  
24 road contract work or any public improvements work, or for supplies,  
25 construction, repairs, and improvements, and in all other cases where  
26 bids for supplies or work, of any character whatsoever, are received for  
27 the various departments and agencies of the state, and other subdivisions  
28 and agencies enumerated in this section, they shall fix not only the day  
29 upon which such bids shall be returned, received, or opened, as provided  
30 by other statutes, but shall also fix the hour at which such bids shall  
31 close, or be received or opened, and they shall also provide that such

1 bids shall be immediately and simultaneously opened in the presence of  
2 the bidders, or representatives of the bidders, when the hour is reached  
3 for the bids to close. Such bids may be withheld from disclosure until an  
4 intent to award is issued. If bids are being opened on more than one  
5 contract, the officials having in charge the opening of such bids may, if  
6 they deem it advisable, award each contract as the bids are opened.  
7 Sections 73-101 to 73-106 shall not apply to the State Park System  
8 Construction Alternatives Act or sections 39-2808 to 39-2823.

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

11 73-301 The Director of Administrative Services shall review and  
12 approve or disapprove any contract for personal services between a  
13 private entity and any state agency, other than (1) the University of  
14 Nebraska, (2) the Nebraska state colleges, and (3) any other board,  
15 commission, or agency established by the Constitution of Nebraska, if, on  
16 the effective date of the contract, the personal services are performed  
17 by permanent state employees of the agency and will be replaced by  
18 services performed by the private entity. The contract shall be subject  
19 to the public bidding procedures established in the State Procurement Act  
20 ~~sections 81-145 to 81-162~~ except in emergencies approved by the Governor.

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

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

28 73-603 (1) The Department of Administrative Services shall create an  
29 annual report that includes:

30 (a) The total number and value of contracts awarded by the  
31 department;

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

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

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

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

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

19 81-145 As used in sections 81-145 to 81-161.06 and sections 34 to 39  
20 of this act ~~81-162~~, unless the context otherwise requires:

21 (1) Materiel division means ~~the head of~~ the division of the state  
22 government charged with the administration of sections 81-145 to  
23 81-161.06 and sections 34 to 39 of this act ~~81-162~~ and ~~81-1118~~ to  
24 ~~81-1118.06~~, which division shall be a part of and subject to the  
25 supervision of the office of the Director of Administrative Services; and

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

29 (2) ~~(3)~~ Using agencies means and includes all officers of the state,  
30 departments, bureaus, boards, commissions, councils, and institutions  
31 receiving legislative appropriations, except that using agencies does not

1 include the University of Nebraska and the Nebraska state colleges.  ~~; and~~  
2  ~~(4) Lease or contract means an agreement entered into by the state~~  
3  ~~or using agency with another party whereby, for a stated consideration,~~  
4  ~~the state or using agency is to receive the personal property or use~~  
5  ~~thereof furnished by the other party.~~

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

8  ~~81-1118~~ The materiel division of the Department of Administrative  
9 Services is hereby established and shall be managed by the materiel  
10 administrator.

11 There are hereby established the following seven branches of the  
12 materiel division of the Department of Administrative Services which  
13 shall have the following duties, powers, and responsibilities:

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

17 (2) Central mail shall be responsible for all mailing operations,  
18 transportation of material, tracking shipments, and making freight  
19 claims;

20 (3) The print shop shall be responsible for specifications and for  
21 receiving bids and placing orders to the lowest and best commercial  
22 bidder for all printing and reproduction operations for the state. The  
23 print shop shall also be responsible for coordinating all existing  
24 printing and reproduction operations of the state;

25 (4) Copy services shall be responsible for the purchasing and  
26 placement of all copier requirements;

27 (5) The state purchasing bureau shall be responsible for all  
28 purchases of personal property by all state agencies other than the  
29 University of Nebraska or  ~~and~~ the Nebraska state colleges;  ~~. The materiel~~  
30  ~~division shall administer the public notice and bidding procedures and~~  
31  ~~any other areas designated by the Director of Administrative Services to~~



1 ~~carry out the lease or purchase of personal property. All purchases of~~  
2 ~~and contracts for materials, supplies, or equipment and all leases of~~  
3 ~~personal property shall be made in the following manner except in~~  
4 ~~emergencies approved by the Governor:~~

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

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

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

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

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

22 ~~(f) No contract for purchase or lease shall be amended to extend the~~  
23 ~~duration of the contract for a period of more than fifty percent of the~~  
24 ~~initial contract term. Following the adoption of any amendment to extend~~  
25 ~~the contract for a period of fifty percent or less of the initial~~  
26 ~~contract term, no further extensions of the original contract shall be~~  
27 ~~permitted. This subdivision (f) does not prohibit the exercise of any~~  
28 ~~renewal option expressly provided in the original contract;~~

29 ~~(6) The state recycling office shall be responsible for the~~  
30 ~~administration and operation of the State Government Recycling Management~~  
31 ~~Act; and~~

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

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

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

8 ~~81-1118.01~~ The materiel administrator shall have complete control of  
9 all furniture and equipment in the capitol, state laboratory, Governor's  
10 Mansion, and all other buildings owned or leased by the State of  
11 Nebraska, except telephone and telecommunications equipment and equipment  
12 and furniture of the Legislature and the Supreme Court. The materiel  
13 administrator shall keep in his or her office a complete record  
14 containing an itemized account of all state property, including furniture  
15 and equipment under his or her care and control. Such inventory record  
16 shall be maintained as a management system to assure efficient  
17 utilization of state property with particular emphasis on identification  
18 of surpluses. Such system shall be designed so as to provide the materiel  
19 administrator with the knowledge of potential surplus property available.  
20 The materiel administrator under the authority of the Director of  
21 Administrative Services shall have complete control and all powers  
22 necessary to assure efficient utilization of state property.

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

25 ~~81-1118.02~~ (1) Except as otherwise provided in subsection (4) of  
26 this section, each executive, department, commission, or other state  
27 agency, and the Supreme Court, shall annually make or cause to be made an  
28 inventory of all property, including furniture and equipment, belonging  
29 to the State of Nebraska and in the possession, custody, or control of  
30 any executive, department, commission, or other state agency. The  
31 inventory shall include property in the possession, custody, or control

1 of each executive, department, commission, or other state agency as of  
2 June 30 and shall be completed and filed with the materiel administrator  
3 by August 31 of each year.

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

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

20 (4) This section does not apply to the Board of Regents of the  
21 University of Nebraska or the Board of Trustees of the Nebraska State  
22 Colleges.

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

25 ~~81-1118.07~~ (1) Notwithstanding any other provision of law, the state  
26 purchasing bureau created by section 34 of this act ~~81-1118~~ may use a  
27 reverse auction for the acquisition of goods if the bureau determines  
28 that the use of a reverse auction would be advantageous to the state.

29 (2) If the bureau conducts a reverse auction, the bureau shall  
30 provide notification of the intent to use the reverse auction process in  
31 the bid solicitation documents and, unless the solicitation is canceled,

1 an award shall be made to the bidder determined by the bureau to be the  
2 lowest responsible bidder at the close of the bidding process. The bureau  
3 may require bidders to register before the opening date and time of the  
4 reverse auction.

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

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

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

14 Sec. 38. Section 81-1119, Revised Statutes Cumulative Supplement,  
15 2022, is amended to read:

16 ~~81-1119~~ The Department of Administrative Services may purchase real  
17 property needed by the state which costs an amount equal to or less than  
18 ten percent of the amount set forth in subdivision (1)(a) of section  
19 81-1108.43 as adjusted by subsection (2) of section 81-1108.43 without  
20 legislative approval or a specific appropriation for such purchase unless  
21 the purchase is made to evade the dollar limitation in this section and  
22 additional unapproved purchases will be made which, when considered  
23 together, would exceed the dollar limitation.

24 Sec. 39. Section 81-1120, Revised Statutes Cumulative Supplement,  
25 2022, is amended to read:

26 ~~81-1120~~ (1) ~~The There is hereby created the~~ Materiel Division  
27 Revolving Fund is created. The fund shall be administered by the materiel  
28 division of the Department of Administrative Services. The fund shall  
29 consist of (a) fees paid for printing, copying, central supply, and  
30 mailing services provided to state agencies and local subdivisions by the  
31 division, (b) assessments charged by the materiel administrator to state

1 agencies, boards, and commissions for purchasing services provided by the  
2 division, and (c) any money collected pursuant to subdivision (9) ~~(10)~~ of  
3 section 81-153. Such assessments shall be adequate to cover actual and  
4 necessary expenses that are associated with providing the service and not  
5 otherwise covered by the money collected pursuant to subdivision (9) ~~(10)~~  
6 of section 81-153. The fund shall be used to pay for expenses incurred by  
7 the division to provide such services.

8 (2) State agencies, boards, and commissions shall make the materiel  
9 division assessment payments to the fund no later than August 1 of each  
10 year, or in four equal payments to be made no later than August 1,  
11 October 1, February 1, and April 1 of each year, at the discretion of the  
12 materiel administrator.

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

16 Sec. 40. Section 81-153, Revised Statutes Cumulative Supplement,  
17 2022, is amended to read:

18 81-153 The materiel division shall have the power and duty to:

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

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

23 (2) ~~(3)~~ Sell and dispose of personal property that is not needed by  
24 the state or its using agencies as provided in section 81-161.04 or  
25 initiate trade-ins when determined to be in the best interest of the  
26 state;

27 (3) ~~(4)~~ Determine the utility, quality, fitness, and suitability of  
28 all personal property tendered or furnished;

29 (4) ~~(5)~~ Make rules and regulations consistent with sections 81-145  
30 to 81-161.06 and sections 34 to 39 of this act ~~81-171 and 81-1118 to~~  
31 ~~81-1118.06~~ to carry into effect the provisions thereof. Such rules and

1 regulations shall include provisions for modifying and terminating  
2 purchase contracts and the cost principles to be used in such  
3 modification or termination;

4 (5) (6) Employ such clerical, technical, and other assistants as may  
5 be necessary to properly administer such sections, fix their  
6 compensation, and prescribe their duties in connection therewith, subject  
7 to existing laws and appropriations;

8 (6) (7) Allow the purchase of personal property without competitive  
9 bidding when the price has been established by the federal General  
10 Services Administration or to allow the purchase of personal property by  
11 participation in a contract competitively bid by another state or group  
12 of states, a group of states and any political subdivision of any other  
13 state, or a cooperative purchasing organization on behalf of a group of  
14 states. The division may also give consideration to a sheltered workshop  
15 pursuant to section 48-1503 in making such purchases;

16 (7) (8) Enter into any personal property lease agreement when it  
17 appears to be in the best interest of the state;

18 (8) (9) Negotiate purchases and contracts when conditions exist to  
19 defeat the purpose and principles of public competitive bidding; and

20 (9) (10) Obtain an electronic procurement system, which shall be  
21 funded or paid for by providing the system provider with, as determined  
22 by the materiel administrator, a percentage or portion of identified  
23 transactions. Such percentage or portion may be collected by the system  
24 provider from contractors and bidders.

25 Sec. 41. Section 81-1101, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 81-1101 The purposes of sections ~~11-119, 81-106,~~ 81-1101 to  
28 81-1117.05 and 81-1118, ~~81-1121, 81-1170.01, 81-1170.02, and 84-304~~ are  
29 to:

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

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

5 (3) Provide for centralized direction of services and service  
6 agencies;

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

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

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

15 81-1102 For purposes of sections ~~11-119, 81-106,~~ 81-1101 to  
16 81-1117.05 and 81-1118, 81-1121, ~~81-1170.01, 81-1170.02,~~ and ~~84-304,~~  
17 unless the context otherwise requires:

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

20 (2) Executive budget means ~~shall mean~~ the budget proposed by the  
21 Governor to the Legislature as the basis of appropriations for the  
22 operation of and capital outlay by state government during the period  
23 covered by such budget;

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

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

31 (5) Accrual system means ~~shall mean~~ the recording of revenue when

1 earned and the recording of expenditures as soon as they result in  
2 liabilities, notwithstanding the fact that the receipt of the revenue or  
3 payment of the expenditure may take place, in whole or in part, in  
4 another accounting period;

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

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

11 (8) Expenditure means ~~shall mean~~, when an accrual system has been  
12 established, total liability incurred by contract, purchase order, or  
13 payroll commitments or as otherwise provided by law, whether or not  
14 related disbursement has been made from the state treasury, and shall  
15 mean, until an accrual system has been established, disbursements from  
16 the state treasury;

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

24 (10) Receipts means ~~shall mean~~ cash received, unless otherwise  
25 qualified;

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

31 (11) ~~(12)~~ Encumbrances means ~~shall mean~~ charges to appropriation



1 accounts to reflect obligations for which a part of the appropriation is  
2 reserved and which shall cease to be encumbrances when paid or when an  
3 actual liability is established in a proprietary account;

4       (12) ~~(13)~~ Financing agreement means ~~shall mean~~ any bond, lease-  
5 purchase obligation, installment sales contract, or similar financial  
6 arrangement, for a period greater than one year, which is entered into by  
7 the state or any agency, board, or commission thereof, not including the  
8 University of Nebraska or state colleges, in accordance with the  
9 Constitution of Nebraska and statutes of this state, relating to capital  
10 construction, real property acquisition, and personal property  
11 acquisition;

12       (13) ~~(14)~~ Proprietary account means ~~shall mean~~ those accounts  
13 designed to show actual financial position and operations such as actual  
14 assets, liabilities, surplus, revenue, and expenditures, as distinguished  
15 from budgetary accounts;

16       (14) ~~(15)~~ Program means ~~shall mean~~ a major operation of the state  
17 government directed toward the achievement of a definite legal objective  
18 and which, in most instances, could be carried on independently of other  
19 major operations of the state as defined and described in the accounting  
20 and budgeting manuals on file in the office of the Director of  
21 Administrative Services;

22       (15) ~~(16)~~ Subprogram means ~~shall mean~~ one or more operations of a  
23 department or agency of the state designed jointly to accomplish a major  
24 program objective as defined in the accounting and budgeting manuals on  
25 file in the office of the Director of Administrative Services;

26       (16) ~~(17)~~ Activity means ~~shall mean~~ one or more operations of a  
27 department or agency of the state designed jointly to accomplish the  
28 objective of a subprogram to which it is related as defined in the  
29 accounting and budgeting manual on file in the office of the Director of  
30 Administrative Services;

31       ~~(18) Staffing pattern shall mean the number of positions in each~~

1 ~~class and the specific classes of positions as may be authorized for each~~  
2 ~~department or agency for such department or agency programs, subprograms,~~  
3 ~~and activities;~~

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

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

20 ~~(17) (21) Budget request means shall mean the complete recitation,~~  
21 ~~on forms prescribed by the budget division and in the manner prescribed~~  
22 ~~by such division, of the operating and construction funds requests of a~~  
23 ~~department or agency for the biennium next following the then current~~  
24 ~~biennium;~~

25 ~~(18) (22) Department means shall mean the Department of~~  
26 ~~Administrative Services; and~~

27 ~~(19) (23) Director means shall mean the Director of Administrative~~  
28 ~~Services.~~

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

31 81-1108.10 As used in sections ~~81-1108, 81-1108.02,~~ 81-1108.09 to

1 81-1108.43, ~~81-1118.01, 81-1118.02, and 81-1120.22~~, unless the context  
2 otherwise requires:

3 (1) Division means ~~shall mean~~ the state building division charged  
4 with the responsibility of statewide facilities planning, facilities  
5 construction, and statewide facilities administration, which division  
6 shall be a part of and subject to the supervision of the office of the  
7 Director of Administrative Services; and

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

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

11 81-1108.16 (1) The administrator shall review program statements and  
12 contracts and file a written report on each program statement and  
13 contract reviewed pursuant to the provisions of section 81-1108.41. Such  
14 administrator shall file subsequent reviews and reports upon completion  
15 of the planning or design phase of the project indicating the  
16 compatibility of the project with capital construction plans, probable  
17 cost of the project, accepted cost standard, and the relationship of the  
18 project to the state comprehensive capital facilities plan and to other  
19 agency or departmental capital facilities pursuant to the provisions of  
20 section 81-1108.41.

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

24 (a) There is state-owned property which is adequate or which through  
25 cost-effective renovation, as determined by the division, could be made  
26 adequate to meet the using agency's needs; or

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

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

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

5 81-1109 The Director of Administrative Services shall be responsible  
6 to the Governor for provision of technical assistance, advice, and  
7 information concerning the financial and administrative operations of all  
8 agencies of the state, for provision of technical assistance and advice  
9 on the preparation of the Governor's budget, otherwise referred to in  
10 sections ~~11-119, 81-106,~~ 81-1101 to 81-1117.05 ~~81-1118, 81-1121,~~  
11 ~~81-1170.01, 81-1170.02,~~ and ~~84-304~~ as the executive budget, and for  
12 administration of the approved budget within the limits of appropriations  
13 provided except as otherwise provided by law. He or she shall be  
14 responsible to the Governor for the provision of current reports of the  
15 financial condition of the state and each of its departments and agencies  
16 and for the provision of timely recommendations for dealing with  
17 financial, management, and organizational problems affecting the  
18 administration of the business of the state and its departments and  
19 agencies.

20 Sec. 46. Section 81-3721, Revised Statutes Cumulative Supplement,  
21 2022, is amended to read:

22 81-3721 All contracts awarded by the commission shall be subject to  
23 the State Procurement Act ~~sections 73-501 to 73-510~~. The commission shall  
24 comply with the rules, regulations, procedures, and guidelines  
25 established by the Department of Administrative Services for contracts.

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

28 83-145 All departments, institutions, and agencies of this state  
29 which are supported in whole or in part by taxation for state purposes  
30 and all counties and other political subdivisions of this state shall  
31 purchase from the Department of Correctional Services all articles

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

1 the federal government or any charitable, fraternal, or nonprofit  
2 corporation may purchase from the Department of Correctional Services  
3 goods produced or manufactured by offenders confined in facilities of the  
4 Department of Correctional Services, or elsewhere, including products of  
5 any farms operated by the department.

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

8 85-2605 (1) Each legal dependent who is a tuition waiver recipient  
9 under the First Responder Recruitment and Retention Act shall execute an  
10 agreement with the state. Such agreement shall be exempt from the  
11 requirements of the State Procurement Act ~~sections 73-501 to 73-510~~ and  
12 shall include the following terms, as appropriate:

13 (a) The tuition waiver recipient agrees to reside within the State  
14 of Nebraska for a period of five years following the use of the tuition  
15 waiver;

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

20 (c) If the tuition waiver recipient fails to annually file a tax  
21 return to prove residency in the State of Nebraska for the five-year  
22 period following the use of the tuition waiver or fails to remain a  
23 resident of Nebraska for the five-year period following the use of the  
24 tuition waiver, the tuition waiver recipient agrees to repay the  
25 community college, state college, or state university that such tuition  
26 waiver recipient attended the amount of tuition that was waived for such  
27 individual if the community college, state college, or state university  
28 requests such payment on the dates and in the amounts requested; and

29 (d) Any residency, filing, or payment obligation incurred by the  
30 tuition waiver recipient under the First Responder Recruitment and  
31 Retention Act is canceled in the event of the tuition recipient's total

1 and permanent disability or death.

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

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

5 (b) Completion of an undergraduate degree at a state college or  
6 state university;

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

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

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

17 85-3106 (1)(a) Prior to receiving any money from a loan pursuant to  
18 the Attracting Excellence to Teaching Program, an eligible student shall  
19 enter into a contract with the commission. Such contract shall be exempt  
20 from the requirements of the State Procurement Act sections 73-501 to  
21 ~~73-510~~.

22 (b) For eligible students who applied for the first time prior to  
23 April 23, 2009, the contract shall require that if (i) the borrower is  
24 not employed as a teacher in Nebraska for a time period equal to the  
25 number of years required for loan forgiveness pursuant to subsection (2)  
26 of this section and is not enrolled as a full-time student in a graduate  
27 program within six months after obtaining an undergraduate degree for  
28 which a loan from the program was obtained or (ii) the borrower does not  
29 complete the requirements for graduation within five consecutive years  
30 after receiving the initial loan under the program, then the loan must be  
31 repaid, with interest at the rate fixed pursuant to section 45-103

1 accruing as of the date the borrower signed the contract, and an  
2 appropriate penalty as determined by the commission may be assessed. If a  
3 borrower fails to remain enrolled at an eligible institution or otherwise  
4 fails to meet the requirements of an eligible student, repayment of the  
5 loan shall commence within six months after such change in eligibility.  
6 The commission may by rules and regulations provide for exceptions to the  
7 conditions of repayment pursuant to this subdivision based upon  
8 mitigating circumstances.

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

29 (2) If the borrower applied for the first time prior to April 23,  
30 2009, and (a) successfully completes the teacher education program and  
31 becomes certified pursuant to sections 79-806 to 79-815, (b) becomes



1 employed as a teacher in this state within six months of becoming  
2 certified, and (c) otherwise meets the requirements of the contract,  
3 payments shall be suspended for the number of years that the borrower is  
4 required to remain employed as a teacher in this state under the  
5 contract. For each year that the borrower teaches in Nebraska pursuant to  
6 the contract, payments shall be forgiven in an amount equal to the amount  
7 borrowed for one year, except that if the borrower teaches in a school  
8 district that is in a local system classified as very sparse as defined  
9 in section 79-1003 or teaches in a school district in which at least  
10 forty percent of the students are poverty students as defined in section  
11 79-1003, payments shall be forgiven each year in an amount equal to the  
12 amount borrowed for two years.

13 (3)(a) If the borrower applies for the first time on or after April  
14 23, 2009, and (i) successfully completes the teacher education program  
15 and major for which the borrower is receiving a forgivable loan pursuant  
16 to the program and becomes certified pursuant to sections 79-806 to  
17 79-815 with an endorsement in the shortage area for which the loan was  
18 received, (ii) becomes employed as a full-time teacher teaching at least  
19 a portion of the time in the shortage area for which the loan was  
20 received in an approved or accredited school in this state within six  
21 months of becoming certified, and (iii) otherwise meets the requirements  
22 of the contract, payments shall be suspended for the number of years that  
23 the borrower is required to remain employed as a teacher in this state  
24 under the contract.

25 (b) Beginning after the first two years of teaching full-time in  
26 Nebraska following graduation for the degree for which the loan was  
27 received, for each year that the borrower teaches full-time in Nebraska  
28 pursuant to the contract, the loan shall be forgiven in an amount equal  
29 to three thousand dollars, except that if the borrower teaches full-time  
30 in a school district that is in a local system classified as very sparse  
31 as defined in section 79-1003, teaches in a school building that provides

1 free meals to all students pursuant to the community eligibility  
2 provision, teaches in a school building in which at least forty percent  
3 of the formula students are poverty students as defined in section  
4 79-1003, or teaches in an accredited or approved private school in  
5 Nebraska in which at least forty percent of the enrolled students  
6 qualified for free lunches as determined by the most recent data  
7 available from the commission, payments shall be forgiven each year in an  
8 amount equal to six thousand dollars.

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

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

17 85-3110 (1) Prior to receiving any money from a loan pursuant to the  
18 Enhancing Excellence in Teaching Program, an eligible student shall enter  
19 into a contract with the commission. Such contract shall be exempt from  
20 the requirements of the State Procurement Act ~~sections 73-501 to 73-510~~.  
21 The contract shall require that if (a) the borrower is not employed as a  
22 full-time teacher teaching in an approved or accredited school in  
23 Nebraska for a time period equal to the number of years required for loan  
24 forgiveness pursuant to subsection (2) of this section or (b) the  
25 borrower does not complete the requirements for graduation, for the  
26 additional secular teaching endorsement, or for the approval to teach  
27 postsecondary courses by a Nebraska postsecondary educational institution  
28 within five consecutive years after receiving the initial loan under the  
29 program, then the loan shall be repaid, with interest at the rate fixed  
30 pursuant to section 45-103 accruing as of the date the borrower signed  
31 the contract and actual collection costs as determined by the commission.

1 If a borrower fails to remain enrolled at an eligible institution or  
2 otherwise fails to meet the requirements of an eligible student,  
3 repayment of the loan shall commence within six months after such change  
4 in eligibility. The commission may by rules and regulations provide for  
5 exceptions to the conditions of repayment pursuant to this subsection  
6 based upon mitigating circumstances.

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

16 (b) For recipients who received funds for the first time prior to  
17 July 1, 2016, beginning after the first two years of teaching full-time  
18 in Nebraska following graduation for the degree for which the loan was  
19 received, for each year that the borrower teaches full-time in Nebraska  
20 pursuant to the contract, the loan shall be forgiven in an amount equal  
21 to three thousand dollars, except that if the borrower teaches full-time  
22 in a school district that is in a local system classified as very sparse  
23 as defined in section 79-1003, teaches in a school building that provides  
24 free meals to all students pursuant to the community eligibility  
25 provision, teaches in a school building in which at least forty percent  
26 of the students are poverty students as defined in section 79-1003, or  
27 teaches in an accredited or approved private school in Nebraska in which  
28 at least forty percent of the enrolled students qualified for free  
29 lunches as determined by the most recent data available from the State  
30 Department of Education, payments shall be forgiven each year in an  
31 amount equal to six thousand dollars.

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

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

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

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

23 Sec. 52. Original sections 16-321.01, 17-568.02, 57-1503, 60-3,100,  
24 70-1033, 71-5667, 73-101, 73-301, 73-501, 73-502, 73-503, 73-504, 73-505,  
25 73-506, 73-507, 73-508, 73-509, 73-510, 73-603, 81-154.01, 81-156,  
26 81-161, 81-161.01, 81-161.02, 81-162, 81-1101, 81-1102, 81-1108.10,  
27 81-1108.16, 81-1109, 81-1118.01, 81-1118.05, 81-1118.07, and 83-145,  
28 Reissue Revised Statutes of Nebraska, sections 66-1009, 81-153,  
29 81-161.03, 81-1119, 81-1120, and 81-3721, Revised Statutes Cumulative  
30 Supplement, 2022, and sections 71-5666, 71-5668, 71-5669.01, 81-145,  
31 81-1118, 81-1118.02, 85-2605, 85-3106, and 85-3110, Revised Statutes

1 Supplement, 2023, are repealed.

2       Sec. 53. The following sections are outright repealed: Sections  
3 73-101.01, 73-101.02, 81-146, 81-159, 81-1118.03, 81-1118.04, and  
4 81-1118.06, Reissue Revised Statutes of Nebraska, and sections 73-701 and  
5 81-154, Revised Statutes Cumulative Supplement, 2022.