

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 563**  
Final Reading

Introduced by Krist, 10.

Read first time January 23, 2013

Committee: Government, Military and Veterans Affairs

A BILL

1 FOR AN ACT relating to state government; to amend section 73-510,  
2 Revised Statutes Cumulative Supplement, 2012; to change  
3 provisions relating to contracts for services; to repeal  
4 the original section; and to declare an emergency.  
5 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 73-510, Revised Statutes Cumulative  
2 Supplement, 2012, is amended to read:

3           73-510 (1) A state agency shall not enter into a new  
4 proposed contract for services in excess of fifteen million dollars  
5 until the state agency has submitted to the division a copy of the  
6 proposed contract and proof-of-need analysis described in this  
7 section and has subsequently received certification from the division  
8 to enter into the contract.

9           (2) The proof-of-need analysis shall require state  
10 agencies to provide the following information:

11           (a) A description of the service that is the subject of  
12 the proposed contract;

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

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

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

25           (e) Identification of the specific state agency employee

1 who will monitor the contract for services for performance;

2 (f) Identification and description of whether the service  
3 requested is temporary or occasional;

4 (g) An assessment of the feasibility of alternatives  
5 within the state agency to contract for performance of the services;

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

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

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

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

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

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

22 (3) The division shall certify receipt of a proof-of-need  
23 analysis and shall report its receipt of the proof-of-need analysis  
24 to the state agency no more than thirty days after receiving the  
25 analysis. Certification of the proof-of-need analysis means that all

1 information required by this section has been provided to the  
2 division by the state agency. If the division certifies the analysis,  
3 the state agency may enter into the proposed contract. If the  
4 division does not certify the analysis, it shall inform the state  
5 agency of the additional information required.

6 (4) If the division certifies a proof-of-need analysis  
7 pursuant to this section, the state agency shall file the proposed  
8 contract, proof-of-need analysis, and proof of certification with the  
9 Legislative Fiscal Analyst.

10 Sec. 2. Original section 73-510, Revised Statutes  
11 Cumulative Supplement, 2012, is repealed.

12 Sec. 3. Since an emergency exists, this act takes effect  
13 when passed and approved according to law.