

## LEGISLATIVE BILL 563

Approved by the Governor May 29, 2013

Introduced by Krist, 10.

FOR AN ACT relating to state government; to amend section 73-510, Revised Statutes Cumulative Supplement, 2012; to change provisions relating to contracts for services; to repeal the original section; and to declare an emergency.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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