

**ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017**  
**COMMITTEE STATEMENT**  
**LB320**

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**Hearing Date:** Friday February 24, 2017  
**Committee On:** Government, Military and Veterans Affairs  
**Introducer:** Lowe  
**One Liner:** Change provisions relating to bidding and purchases, conflicts of interest in the materiel division, and facilities construction and administration

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

**Aye:** 8 Senators Blood, Brewer, Briese, Craighead, Hilgers, Lowe, Murante, Wayne  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Verbal Testimony:**

**Proponents:**

Senator John Lowe  
Bo Botelho

**Representing:**

Introducer  
Department of Administrative Services

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB 320 has 7 operative provisions.

In the event that fewer than 3 bids for a requisition for personal property obtained in the name of the State are received, and the value of the requisition is under \$50,000, section 1 allows the requisition to be awarded without a review of the standard specifications for the property upon which bids are sought. Currently, this is only available for requisitions under \$25,000.

If an agency has completed a certification program as prescribed by the materiel division, section 2 allows purchases for miscellaneous needs to be made directly by the agency without prior approval for purchases of less than \$25,000. Currently, this only available for purchases of less than \$10,000.

Section 3 makes clear that the materiel administrator or any employee under his or her direct must not have a financial or personal interest in the purchase or leasing of any personal property by or for the state as prescribed.

Section 4 changes which capital construction projects the Department of Administrative Services has the duty to conduct inspections of. Currently, this requirement exists for projects costing \$400,000 or more. LB 320 subjects the \$400,000 number to the inflation adjustment conducted every 4 years by DAS, pursuant to section 81-1108.43(2).

Section 4 also changes which capital construction projects DAS must submit status and final reports to the Governor

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and the Legislative Fiscal Analyst for. Currently, reports are required for projects costing more than \$500,000. LB 320 reduces this to \$400,000, and subjects the \$400,000 number to the inflation adjustment conducted every 4 years by DAS, pursuant to section 81-1108.43(2).

Section 5 changes which purchases through the materiel division must be conducted through various types of bidding as outlined below:

- Formal competitive sealed bidding: The current requirement is that all purchases of an estimated value of \$25,000 be subject to this process. LB 320 changes this to \$50,000.

- Informal competitive sealed bidding: This is currently required for all purchases of an estimated value between \$10,000 and \$25,000. LB 320 changes this to between \$25,000 and \$50,000.

- Unrestricted open market purchase: This is currently allowed for purchases of an estimated value of less than \$10,000. LB 320 changes this to \$25,000.

Section 6 changes requirements for real property purchased by DAS. Currently, DAS is allowed to purchase property costing less than \$10,000 without legislative approval or a specific appropriation. LB 320 would change the requirements to allow for such purchases costing less than 10% of \$400,000, and subjects the \$400,000 number to the inflation adjustment conducted every 4 years by DAS, pursuant to section 81-1108.43(2).

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John Murante, Chairperson