

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1108

FINAL READING

Introduced by Clouse, 37.

Read first time January 16, 2026

Committee: Government, Military and Veterans Affairs

- 1 A BILL FOR AN ACT relating to the public entities; to amend sections
- 2 13-824.01 and 13-824.02, Reissue Revised Statutes of Nebraska, and
- 3 section 70-637, Revised Statutes Cumulative Supplement, 2024; to
- 4 change provisions related to contracts entered into by and bidding
- 5 requirements and exceptions for certain entities; and to repeal the
- 6 original sections.
- 7 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 13-824.01, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 13-824.01 (1) A joint entity shall cause estimates of the costs to
4 be made by some competent engineer or engineers before the joint entity
5 enters into any contract for the construction, management, ownership,
6 maintenance, servicing, or purchase of an electric generating facility
7 and related facilities.

8 (2) If the estimated cost exceeds the sum of seven ~~one~~ hundred fifty
9 thousand dollars, for those joint entities with a gross revenue of less
10 than five hundred million dollars, or one million five hundred thousand
11 dollars, for those joint entities with a gross revenue of five hundred
12 million dollars or more, no such contract shall be entered into without
13 advertising for sealed bids.

14 (3)(a) The provisions of subsection (2) of this section and sections
15 13-824.02 and 13-824.03 relating to sealed bids shall not apply to
16 contracts entered into by a joint entity in the exercise of its rights
17 and powers relating to radioactive material or the energy therefrom, any
18 technologically complex or unique equipment, equipment or supplemental
19 labor procurement from an electric utility or from or through an electric
20 utility alliance, or any maintenance or repair if:

21 (i) The engineer or engineers certify that, by reason of the nature
22 of the subject matter of the contract, compliance with subsection (2) of
23 this section would be impractical or not in the public interest;

24 (ii) The engineer's certification is approved by a two-thirds vote
25 of the governing body of the joint entity; and

26 (iii) The joint entity advertises notice of its intention to enter
27 into such contract, the general nature of the proposed work, and the name
28 of the person to be contacted for additional information by anyone
29 interested in contracting for such work.

30 (b) Any contract for which the governing body has approved an
31 engineer's certificate described in subdivision (a) of this subsection

1 shall be advertised once ~~in three issues, not less than seven days~~
2 ~~between issues,~~ in one or more newspapers of general circulation in the
3 municipality or county where the principal office or place of business of
4 the joint entity is located, or if no newspaper is so published then in a
5 newspaper qualified to carry legal notices having general circulation
6 therein, and in such additional newspapers or trade or technical
7 periodicals as may be selected by the governing body in order to give
8 proper notice of its intention to enter into such contract, and any such
9 contract shall not be entered into prior to twenty days after the ~~last~~
10 advertisement.

11 (4) The provisions of subsection (2) of this section and sections
12 13-824.02 and 13-824.03 shall not apply to contracts in excess of seven
13 ~~one hundred fifty thousand dollars, for those joint entities with a gross~~
14 revenue of less than five hundred million dollars, or one million five
15 hundred thousand dollars, for those joint entities with a gross revenue
16 of five hundred million dollars or more, entered into for the purchase of
17 any materials, machinery, or apparatus to be used in facilities described
18 in subsection (1) of this section if, after advertising for sealed bids:

19 (a) No responsive bids are received; or

20 (b) The governing body of the joint entity determines that all bids
21 received are in excess of the fair market value of the subject matter of
22 such bids.

23 (5) Notwithstanding any other provision of subsection (2) of this
24 section or sections 13-824.02 and 13-824.03, a joint entity may, without
25 advertising or sealed bidding, purchase replacement parts or services
26 relating to such replacement parts for any generating unit, transformer,
27 or other transmission and distribution equipment from the original
28 manufacturer of such equipment upon certification by an engineer or
29 engineers that such manufacturer is the only available source of supply
30 for such replacement parts or services and that such purchase is in
31 compliance with standards established by the governing body of the joint

1 entity. A written statement containing such certification and a
2 description of the resulting purchase of replacement parts or services
3 from the original manufacturer shall be submitted to the joint entity by
4 the engineer or engineers certifying the purchase for the governing
5 body's approval. After such certification, but not necessarily before the
6 governing body's review, notice of any such purchase shall be published
7 ~~once a week for at least three consecutive weeks~~ in one or more
8 newspapers of general circulation in the municipality or county where the
9 principal office or place of business of the joint entity is located and
10 published in such additional newspapers or trade or technical periodicals
11 as may be selected by the governing body in order to give proper notice
12 of such purchase.

13 (6) Notwithstanding any other provision of subsection (2) of this
14 section or sections 13-824.02 and 13-824.03, a joint entity may, without
15 advertising or sealed bidding, purchase used equipment and materials on a
16 negotiated basis upon certification by an engineer that such equipment is
17 or such materials are in compliance with standards established by the
18 governing body. A written statement containing such certification shall
19 be submitted to the joint entity by the engineer for the governing body's
20 approval.

21 (7) In the event of sudden, unanticipated, or unexpected damage,
22 injury, or impairment to any electric generating facility or related
23 facilities, or an order of a regulatory body which would prevent
24 compliance with sections 13-824.01 to 13-824.03, the governing body of
25 the joint entity may, in its discretion, declare an emergency and proceed
26 with any necessary construction, reconstruction, remodeling, building,
27 alteration, maintenance, repair, extension, or improvement of such
28 electric generating facility or related facilities without first
29 complying with the provisions of sections 13-824.01 to 13-824.03.

30 **Sec. 2.** Section 13-824.02, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 13-824.02 Prior to advertisement for sealed bids, plans and
2 specifications for the proposed work or materials shall be prepared and
3 filed at the principal office or place of business of the joint entity.
4 Such advertisement shall be made once ~~in three issues, not less than~~
5 ~~seven days between issues,~~ in one or more newspapers of general
6 circulation in the municipality or county where the principal office or
7 place of business of the joint entity is located, or if no newspaper is
8 so published then in a newspaper qualified to carry legal notices having
9 general circulation therein, and in such additional newspapers or trade
10 or technical periodicals as may be selected by the governing body of the
11 joint entity in order to give proper notice of the receiving of bids.
12 Such advertisement shall designate the nature of the work proposed to be
13 done or materials proposed to be purchased, that the plans and
14 specifications therefor may be inspected at the office of the joint
15 entity, giving the location thereof, the time within which bids shall be
16 filed, and the date, hour, and place the same shall be opened.

17 **Sec. 3.** Section 70-637, Revised Statutes Cumulative Supplement,
18 2024, is amended to read:

19 70-637 (1) A district shall cause estimates of the costs to be made
20 by some competent engineer or engineers before the district enters into
21 any contract for:

22 (a) The construction, reconstruction, remodeling, building,
23 alteration, maintenance, repair, extension, or improvement, for the use
24 of the district, of any:

25 (i) Power plant or system;

26 (ii) Hydrogen production, storage, or distribution system;

27 (iii) Ethanol production or distribution system;

28 (iv) Irrigation works; or

29 (v) Part or section of a system or works described in subdivisions

30 (i) through (iv) of this subdivision; or

31 (b) The purchase of any materials, machinery, or apparatus to be

1 used in the projects described in subdivision (1)(a) of this section.

2 (2) If the estimated cost exceeds the sum of seven hundred fifty
3 thousand dollars, for those districts with a gross revenue of less than
4 five hundred million dollars, or one million five hundred thousand
5 dollars, for those districts with a gross revenue of five hundred million
6 dollars or more, no such contract shall be entered into without
7 advertising for sealed bids.

8 (3) Notwithstanding the provisions of subsection (2) of this section
9 and sections 70-638 and 70-639, the board of directors of the district
10 may negotiate directly with sheltered workshops pursuant to section
11 48-1503.

12 (4)(a) The provisions of subsection (2) of this section and sections
13 70-638 and 70-639 relating to sealed bids shall not apply to contracts
14 entered into by a district in the exercise of its rights and powers
15 relating to (i) radioactive material or the energy therefrom, (ii) any
16 technologically complex or unique equipment, (iii) equipment or
17 supplemental labor procurement from an electric utility or from or
18 through an electric utility alliance, or (iv) any maintenance or repair,
19 if the requirements of subdivisions (b) and (c) of this subsection are
20 met.

21 (b) A contract described in subdivision (a) of this subsection need
22 not comply with subsection (2) of this section or section 70-638 or
23 70-639 if:

24 (i) The engineer or engineers certify that, by reason of the nature
25 of the subject matter of the contract, compliance with subsection (2) of
26 this section would be impractical or not in the public interest;

27 (ii) The engineer's certification is approved by a two-thirds vote
28 of the board; and

29 (iii) The district advertises notice of its intention to enter into
30 such contract, the general nature of the proposed work, and the name of
31 the person to be contacted for additional information by anyone

1 interested in contracting for such work.

2 (c) Any contract for which the board has approved an engineer's
3 certificate described in subdivision (b) of this subsection shall be
4 advertised ~~once in three issues not less than seven days between issues~~
5 in one or more newspapers of general circulation in the district and in
6 such additional newspapers or trade or technical periodicals as may be
7 selected by the board in order to give proper notice of its intention to
8 enter into such contract, and any such contract shall not be entered into
9 prior to twenty days after the ~~last~~ advertisement.

10 (5) The provisions of subsection (2) of this section and sections
11 70-638 and 70-639 shall not apply to contracts in excess of seven hundred
12 fifty thousand dollars, for those districts with a gross revenue of less
13 than five hundred million dollars, or one million five hundred thousand
14 dollars, for those districts with a gross revenue of five hundred million
15 dollars or more, entered into for the purchase of any materials,
16 machinery, or apparatus to be used in projects described in subdivision
17 (1)(a) of this section if, after advertising for sealed bids:

18 (a) No responsive bids are received; or

19 (b) The board of directors of such district determines that all bids
20 received are in excess of the fair market value of the subject matter of
21 such bids.

22 (6) Notwithstanding any other provision of subsection (2) of this
23 section or sections 70-638 and 70-639, a district may, without
24 advertising or sealed bidding, purchase replacement parts or services
25 relating to such replacement parts for any generating unit, transformer,
26 or other transmission and distribution equipment from the original
27 manufacturer of such equipment upon certification by an engineer or
28 engineers that such manufacturer is the only available source of supply
29 for such replacement parts or services and that such purchase is in
30 compliance with standards established by the board. A written statement
31 containing such certification and a description of the resulting purchase

1 of replacement parts or services from the original manufacturer shall be
2 submitted to the board by the engineer or engineers certifying the
3 purchase for the board's approval. After such certification, but not
4 necessarily before the board review, notice of any such purchase shall be
5 published once a week for ~~at least three consecutive weeks~~ in one or more
6 newspapers of general circulation in the district and published in such
7 additional newspapers or trade or technical periodicals as may be
8 selected by the board in order to give proper notice of such purchase.

9 (7) Notwithstanding any other provision of subsection (2) of this
10 section or sections 70-638 and 70-639, a district may, without
11 advertising or sealed bidding, purchase used equipment and materials on a
12 negotiated basis upon certification by an engineer that such equipment is
13 or such materials are in compliance with standards established by the
14 board. A written statement containing such certification shall be
15 submitted to the board by the engineer for the board's approval.

16 **Sec. 4.** Original sections 13-824.01 and 13-824.02, Reissue Revised
17 Statutes of Nebraska, and section 70-637, Revised Statutes Cumulative
18 Supplement, 2024, are repealed.