

PRESIDENT: Senator Withem, please.

SENATOR WITHEM: I would withdraw that amendment.

PRESIDENT: It is withdrawn.

CLERK: The next amendment, Mr. President, is by Senator Baack. Senator, this is an amendment from last year as well. (Baack amendment, AM1305, is on page 1598 of the Legislative Journal, First Session, 1989.)

PRESIDENT: Senator Baack, please.

SENATOR BAACK: Yes. Mr. President and colleagues, I will explain just a little bit about the bill. I know we need a little refresher on this because it's been...you know, it was last year that we dealt with this last. What the bill deals with is payment bonds that are issued on state projects. That was...the impetus of the bill was that if a project that the state was involved in was going to cost \$15,000 or less, then the state could, at their discretion, the agency could, at their discretion, waive the filing of a payment bond. And that was the impetus of LB 257. DAS brought it to me saying that it was too costly to always take out bonds for these small projects, they would like a waiver on the projects under \$15,000. Senator Pirsch and Senator Scofield also brought bills to the committee that we looked at dealing with this same situation. Senator Pirsch's bill dealt with more local government projects, not just state projects, and Senator Scofield's bill also dealt with the issuance of either a letter of credit or a bond on certain projects. So what we did was we combined these ideas and we put them into 257 and we...what it says, there's a couple of other things that it does. It has...also has clarifying language in the statute that says that all of the state agency construction projects that cost more than \$15,000 must be advertised and awarded to the lowest bidder. I was not aware that all the agencies did not have to do that before, but under present statute that was only specified for DPI and for Department of Corrections. This now puts all the agencies under that. It also talks about the performance bond in this bill, and it says that on a performance bond, again, at the discretion of the agency, they can waive a performance bond on a project that costs less than \$15,000. And it also provides that all agencies have to have performance bonds on projects over \$15,000, again