

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1084**

Introduced by Stinner, 48; Mello, 5.

Read first time January 20, 2016

Committee:

1 A BILL FOR AN ACT relating to state agency contracts; to amend section  
2 81-1118, Reissue Revised Statutes of Nebraska, and section 73-506,  
3 Revised Statutes Cumulative Supplement, 2014; to change duration  
4 requirements for contracts for services; to provide a duration  
5 requirement for contracts for purchase or lease of personal  
6 property; and to repeal the original sections.

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

1 Section 1. Section 73-506, Revised Statutes Cumulative Supplement,  
2 2014, is amended to read:

3 73-506 State agency contracts for services shall be subject to the  
4 following requirements:

5 (1) Payments shall be made when contractual deliverables are  
6 received or in accordance with specific contractual terms and conditions;

7 (2) State agencies shall not enter into contracts for services with  
8 an unspecified or unlimited duration, and no contract for services shall  
9 be amended to extend the duration of the contract for a period of more  
10 than fifty percent of the initial contract term. Following the adoption  
11 of any amendment to extend the contract for a period of fifty percent or  
12 less of the initial contract term, no further extensions of the original  
13 contract shall be permitted. This subdivision does not prohibit the  
14 exercise of any renewal option expressly provided in the original  
15 contract;

16 (3) State agencies shall not structure contracts for services to  
17 avoid any of the requirements of sections 73-501 to 73-510; and

18 (4) State agencies shall not enter into contracts for services in  
19 excess of fifteen million dollars unless the state agency has complied  
20 with section 73-510.

21 Sec. 2. Section 81-1118, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 81-1118 The materiel division of the Department of Administrative  
24 Services is hereby established and shall be managed by the materiel  
25 administrator.

26 There are hereby established the following seven branches of the  
27 materiel division of the Department of Administrative Services which  
28 shall have the following duties, powers, and responsibilities:

29 (1) The office supplies bureau shall be responsible for providing  
30 office supplies, paper, and forms to using agencies;

31 (2) Central mail shall be responsible for all mailing operations,

1 transportation of material, tracking shipments, and making freight  
2 claims;

3 (3) The print shop shall be responsible for specifications and for  
4 receiving bids and placing orders to the lowest and best commercial  
5 bidder for all printing and reproduction operations for the state. The  
6 print shop shall also be responsible for coordinating all existing  
7 printing and reproduction operations of the state;

8 (4) Copy services shall be responsible for the purchasing and  
9 placement of all copier requirements;

10 (5) The state purchasing bureau shall be responsible for all  
11 purchases by all state agencies other than the University of Nebraska.  
12 The materiel division shall administer the public notice and bidding  
13 procedures and any other areas designated by the Director of  
14 Administrative Services to carry out the lease or purchase of personal  
15 property. All purchases of and contracts for materials, supplies, or  
16 equipment and all leases of personal property shall be made in the  
17 following manner except in emergencies approved by the Governor:

18 (a) By a competitive formal sealed bidding process through the  
19 materiel division in all cases in which the purchases are of estimated  
20 value in the amount of twenty-five thousand dollars or more;

21 (b) By a competitive informal bidding through the materiel division  
22 in all cases in which the purchases are of estimated value equal to or  
23 exceeding ten thousand dollars but less than twenty-five thousand  
24 dollars;

25 (c) By unrestricted open market purchases through the materiel  
26 division in all cases in which purchases are of estimated value of less  
27 than ten thousand dollars;

28 (d) All requisitions for whatever purpose coming to the state  
29 purchasing bureau shall be in conformance with the approved budget of the  
30 requisitioning department or agency; ~~and~~

31 (e) All contracts for purchases and leases shall be bid as a single

1 whole item. In no case shall contracts be divided or fractionated in  
2 order to produce several contracts which are of an estimated value below  
3 that required for competitive bidding; and

4 (f) No contract for purchase or lease shall be amended to extend the  
5 duration of the contract for a period of more than fifty percent of the  
6 initial contract term. Following the adoption of any amendment to extend  
7 the contract for a period of fifty percent or less of the initial  
8 contract term, no further extensions of the original contract shall be  
9 permitted. This subdivision (f) does not prohibit the exercise of any  
10 renewal option expressly provided in the original contract;

11 (6) The state recycling office shall be responsible for the  
12 administration and operation of the State Government Recycling Management  
13 Act; and

14 (7) State surplus property shall be responsible for the disposition  
15 of the state's surplus property and the maintenance of all inventory  
16 records.

17 Nothing in this section shall be construed to require that works of  
18 art must be procured through the materiel division.

19 Sec. 3. Original section 81-1118, Reissue Revised Statutes of  
20 Nebraska, and section 73-506, Revised Statutes Cumulative Supplement,  
21 2014, are repealed.