

Colleagues,

I wanted to loop you in on a major milestone for State Procurement Bureau. On Valentine's Day, Governor Pillen held a ceremonial bill signing for [LB 461](#) which has been an agency priority for years. This bill is a comprehensive rewrite of our State procurement statutes and completes a reform effort we began on our own initiative with administrative changes last fall.

I am grateful to Speaker Arch for introducing LB 461 last year and making it a priority bill this session. LB 461 is the result of interbranch collaboration starting with the LR 29 special investigative committee in 2021 and resulted in LB 1037 in 2022. Under LB 1037, DAS led an independent, comprehensive, expert evaluation of Nebraska's procurement process, and make recommendations for changes.

[Our report](#) made a total of 34 recommendations, including legal, administrative, and operational changes. LB 461 incorporates the recommendations of the report requiring legislative changes. Coupled with administrative changes already made, with the passage of LB 461, 33 of the 34 report recommendations have been adopted by the State as part of its reform effort.

Among the key provisions in LB 461:

- Creates a uniform standard for procuring goods and services;
- Establishes supplier "responsibility" as a stand-alone factor in bid evaluation. Responsibility is a measure of corporate citizenship and ability to perform the work under the contract;
- Provides for the assessment of cost realism and reasonableness in a bid evaluation. No longer will artificially low bids have an advantage in winning government contracts;
- Requires a "proof-of-need" analysis for procurements over \$15 million at the start of the procurement process;
- Eliminates complex resident bidder preferences;
- Brings Nebraska law into alignment with federal standards for grant and cooperative agreement administration.

This legislation is the result of years of unrelenting hard work by Amara Block, Adam Kauffman, and Sarah Skinner. A big thank you to our entire legislative team!

Regards,

Jason Jackson

Director, Nebraska Department of Administrative Services