



Jim Pillen, Governor

DATE: August 5, 2024
TO: All Agencies, Boards, and Commissions
FROM: Michelle Potts, Materiel Administrator
Administrative Services - Materiel Division

SUBJECT: Unrestricted Open Market Purchase Authority and Other Procurement Reminders - FY 2024/25

This letter serves as a reminder that pursuant to Neb. Rev. Stat. § 73-814 purchases for miscellaneous needs may be made directly by agency personnel without prior approval from Materiel Division for purchases less than \$50,000 if such personnel has completed a certification program (see paragraph A - PROCUREMENT CERTIFICATION below) as prescribed by the Materiel Division. Exceptions to this authorization are itemized on **Attachment A**, attached to this authorization letter.

A. PROCUREMENT CERTIFICATION: In order to obtain access to the procurement module in the Payroll and Financial Center (PFC) at any level, successful completion of a Procurement Certification Training program is required. See the [Procurement Certification Program Policy 24-01](#) for further information. You may register for a PFC Procurement Certification Program through at <http://link.nebraska.gov/>. A step-by-step guide to register can be found [here](#). Questions regarding certification should be directed to at 402-471-6500 or as.materielpurchasingtraining@nebraska.gov.

B. PROCUREMENT PROCESSES AND RESTRICTIONS FOR UTILIZING UNRESTRICTED OPEN MARKET PURCHASE AUTHORITY:

1. **Check for Contract Availability:** (Policy) Prior to making any direct purchases, agencies are to verify whether a contract is available for the product required by checking PFC (E1) or the DAS Materiel Division, SPB website at https://www.nebraska.gov/das/materiel/purchasing/contract_search/index.php. If a contract is available, the purchasing agency must utilize the contract and generate a purchase order from the contract in the PFC (E1). Generating the purchase order encumbers agency funds. Utilizing existing contracts saves agencies time and effort. Contracts are solicited through SPB using statewide usages to gain economies of scale. If agencies are not utilizing an existing state contract, the State loses the overall advantage of contract pricing.
2. **P-Card Purchases (under \$5,000 only):**
 - a. **Non-Contract:** A P-card may be used for purchases of commodities \$5,000 or less, provided the item(s) are not on contract and are not included on **Attachment A, Restricted Items**.
 - b. **Contracted Items:** A P-card **cannot** be used to pay for any contract purchases (under or over \$5,000) unless authorized in writing by the DAS-Materiel Administrator. Agency Directors may request authority to utilize a P-card for contracted commodities available on contract by submitting such request in writing directed to the DAS-Materiel Administrator. A Purchasing Card Program

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Letter of Agreement between DAS-Materiel Division and the requesting agency must be completed and signed, which will specify the contracts available for use by the requesting agency with a P-card. The Letter of Agreement requires the agency to track all purchases made within the program and report such purchases by contract number to DAS-Materiel Division on a monthly-basis using a provided P-Card Program Spreadsheet. The authorization will need to be reaffirmed annually. Authorization will remain in effect as long as the requirements are followed. The program can be terminated at any time by DAS-Materiel Division.

3. **Non-Contract Purchases (Over \$5,000):** For non-contract purchases over \$5,000.00 a purchase order must be generated in the PFC (E1) **prior** to placing the order with the vendor. Purchase orders encumber agency funds. Purchase orders should clearly state the product(s) the vendor is to provide (name and item number), quantity requested, delivery requirements, and the product price(s). Purchase orders must have an authorized signature prior to sending to the vendor and **the State's Terms and Conditions should accompany the purchase order** when sent to the vendor (available at [Purchase Order Terms and Conditions.pdf \(das.nebraska.gov\)](https://das.nebraska.gov/PurchaseOrderTermsandConditions.pdf)).
 - a. **Direct Purchases \$5,000 - \$50,000:** (Policy) **Agencies are highly encouraged** to solicit bids from a minimum of three (3) vendors to ensure effective and reasonable pricing whenever possible.
 - b. Documentation, including vendor names and bid prices, must be attached to the purchase order(s) in the PFC (E1) to meet the reporting requirements of Neb. Rev. Stat. § 73-814.
4. **Drug Free Workplace:** Per Executive Order, Agencies are responsible for ensuring that vendors support a Drug-Free Workplace Environment. The Invitation to Bid and Request for Proposal, which are processed through the DAS Materiel Division, SPB, include a statement which addresses the contractors' Drug-Free Workplace policies. Agencies are encouraged to utilize the PFC (E1) quotation request process or it is recommended a similar statement be included in purchases processed through your agency, such as:

“By signing this Invitation to Bid/Request for Proposal, the bidder agrees to the “Standard Conditions and Terms of Bid Solicitation and Offer” and is committed to provide a drug-free workplace environment.”
5. **Copyrighted Publications:** Agencies have unlimited purchase authority for copyrighted publications and these purchases are not required to be processed through the SPB. Agencies should enter a (ZO) purchase order in the PFC (E1).
6. **Dept. of Correctional Services - Cornhusker State Industries (CSI):** Neb. Rev. Stat. §§ 83-144 through 83-152 require all State departments, institutions and agencies which are supported in whole or in part by taxation for state purposes to purchase items produced or manufactured by CSI unless such articles of equal quality and materials could be purchased from another supplier at a lesser cost. Administrative Services may create an exception when the CSI item does not meet the reasonable requirements of the agency, board, or commission.
 - a. Further, The Nebraska Department of Correctional Services (NDCS) may create an exception in any case when the requisition cannot be completely complied with on account of an insufficient supply of the article, supplies required, or otherwise. No applicable entities shall be allowed to evade the intent and meaning of these statutes with slight variations from standards adopted by NDCS, when articles produced or manufactured by CSI in accordance with its standards are reasonably adapted to the actual need of the entity. Refer to the CSI website at <https://csi.nebraska.gov/products> for a complete list of products available through CSI or contact CSI Sales & Marketing at 800-348-7537.
 - b. Agencies have unrestrictive authority to purchase directly from CSI for any dollar amount. Document type (OH) shall be utilized in the PFC (E1) for these procurements. Check with CSI Sales & Marketing team for customized products.

- c. **Any item available from CSI, but not purchased from CSI, must be processed through the DAS Materiel Division, SPB.** Agencies shall generate an (O8) requisition in the PFC (E1), to properly route to SPB, and shall include a completed SPB Form 9 – Exception Request – CSI Product as a header attachment to the requisition.
7. **Fixed Assets (State Accounting Manual):** All purchases of items meeting the requirements for capitalization (over \$5,000 and exception items as mentioned in the Annual Fixed Asset Memo found on our website at [Microsoft Word - Fixed Asset Memo FY23-24 \(nebraska.gov\)](#)) should be made by generating a purchase order in the PFC (E1) and utilizing an appropriate object code from 580300-586999. See State Accounting’s Manual for [Capital Outlay](#) guidance.
8. **IT Equipment (Neb. Rev. Stat. § 81-1117):**
 - a. **Non-Contract Purchases Under \$500:** Agencies may generate an (OP) purchase order in the PFC (E1), or utilize their P-Card or direct pay when purchasing non-contract IT items, on the pre-approved items list found at: <https://nitc.nebraska.gov/standards/1-205.pdf>.
 - b. **Non-Contract Purchases \$500 - \$49,999.99:** When completing a one-time purchase of a non-contract item, the agency must enter an (ON) requisition for Hardware/Software goods to route to OCIO for approval. Once approved by OCIO, the agency generates an (OP) purchase order from the approved (ON) requisition.
 - c. **Non-Contract Purchases \$50,000 and greater:** When completing a one-time purchase of a non-contract item, the agency must enter an (ON) requisition for Hardware/Software goods or services to route to OCIO for approval. After OCIO approval, the requisition will route to SPB for processing, e.g. generating (ON) requisition into an (OR) requisition for goods, an (O5) requisition for services SPB processed or (O3) requisition for services Agency processed.
 - d. **Contract Purchases:** For items on contract (whether pre-approved or non-pre-approved) agencies should generate an (O6) purchase order from an (OC) goods contract or (O4) services contract.
- C. **SERVICE CONTRACTS:** Pursuant to Neb. Rev. Stat. § 73-806 **all** contracts for services, regardless of dollar amount, must be entered and documented in PFC (E1).
 1. If there is not a contract, a one-time purchase order must be generated using an (O9) purchase order type or a (Z8) two-way match purchase order type. The State’s Purchase Order Terms and Conditions should accompany any one-time purchase order when sent to the vendor (available at [Purchase Order Terms and Conditions.pdf](#) (das.nebraska.gov)).
 2. If there is a contract, and the service(s) is \$50,000 and over, a purchase order must be generated from the contract using an (O9) purchase order type, an (O6) purchase order type for IT equipment and services, or a (Z8) purchase order type for the two-way match for services. The State’s Purchase Order Terms & Conditions do not need to accompany a purchase order generated from a contract, as the contract’s terms and conditions govern the purchase.

Purchase orders must have an authorized signature prior to sending to the vendor. Purchase orders should clearly state the service to be provided, quantity and the price(s), and delivery requirements. The purchase order encumbers agency funds.

D. PUG MEETINGS: The State Purchasing Bureau (SPB) conducts Procurement User Group (PUG) meetings on an “as needed” basis. These meetings may be provided in-person, via WebEx, videos, PowerPoint or other appropriate method. The PUG meetings are an avenue utilized to keep agencies up-to-date on procurement



processes and best practices. Agencies are strongly encouraged to have appropriate staff members responsible for procurement in their agencies participate in these meetings. SPB will put out a notice when a PUG meeting is scheduled.

E. STATE CONTRACTS DATABASE - PUBLIC WEBSITE: Neb. Rev. Stat. § 84-602.04 requires a database on the Materiel Division website to include a copy of each active contract that is a basis for an expenditure of state funds, including any amendment, extension, or renewal. One-time purchase orders not from a contract should be included as they constitute an agreement to expend state funds. This database also includes expired contracts which have not been disposed of pursuant to policies and procedures. This database is accessible to the public and searchable by vendor, agency, board, commission or department, campus or college, dollar amount, and document number.

All agencies, boards, commissions, and departments of the State provide copies of such contracts, in electronic form, for inclusion in the database through Hyland OnBase Enterprise Content Management (ECM) application. Agencies should refer to the statute for specific redaction requirements and exemptions from the requirements of the statute.

F. PROCUREMENT MANUAL: More detailed information can be found in the Procurement Manual and policies located on our website at [State Purchasing Bureau Policies and Procedures](#). Agency staff are encouraged to read the manual and policies carefully in order to ensure compliance with procurement processes. Agencies should visit the website often to keep up-to-date on current policies and processes and to download the most current forms. Training guides and information regarding E1 and the various document types referenced above can be found under the System User Guides for the Payroll & Financial Center under Procurement <https://das.nebraska.gov/accounting/pay-fin.html>.

If you have any questions or concerns, please contact our office at 402-471-6500. Thank you.

Attachment



**ATTACHMENT A
RESTRICTED ITEMS**

ITEMS RESTRICTED FROM DIRECT PURCHASE AUTHORIZATION ARE LISTED BELOW. Normal statutory authorization **cannot** be used for these items. These items have special procurement considerations and, other than as described below, **cannot** be purchased by any agency for any dollar amount without prior written approval of DAS Materiel Division, State Purchasing Bureau (SPB), Printing/Copy Services, Office of the Chief Information Officer (OCIO), State Records Administrator or Motor Vehicles, Transportation Services Bureau (TSB), as applicable.

1. **Office Supply Items** – Pursuant to Neb. Rev. Stat. § 81-152(1) the Materiel Division of the Department of Administrative Services has the responsibility for providing office supply items, paper, to using agencies. Agencies **must** purchase office supply items from the statewide contract with ODP Solutions (Office Depot) or other contract established by the State Purchasing Bureau. For authorization to not use a statewide contract, a [SPB Form 5](#) must be filled out and submitted as an O8 for SPB review. The Account Application form can be found on our website at [ODP Business Solutions Account Application](#) or contact SPB at 402-471-6500. Agencies are required to complete online orders. In the event the Agency wishes to purchase an item "restricted" on the ODP Solutions website, contact the Procurement Contracts Officer with the item number. In addition, SPB has set up other contracts for office supply items. Refer to the SPB website for the most current contracts.
2. **Printing Services** – Pursuant to Neb. Rev. Stat. § 81-152(3) the Materiel Division of the Department of Administrative Services has the responsibility for specifications and for receiving bids and placing orders to the lowest and best commercial bidder for all printing and reproduction operations for the state. Printing Services shall also be responsible for coordinating all existing printing and reproduction operations of the state. **All** printing requests **must** be processed through DAS Materiel Division. Agencies should utilize the (OW) requisition in PFC (E1). Printing Services will make the determination on whether Printing Services is able to complete the job or will forward to SPB for processing. Please contact Printing Services at 402-471-2826 for assistance.
3. **Copy Services** – Pursuant to Neb. Rev. Stat. § 81-152(4). Copy Services is responsible for the purchasing and placement of all copier requirements. Please contact Copy Services at (402) 471-1073 for assistance.
4. **Telecommunication Equipment** – Pursuant to Neb. Rev. Stat. § 81-1120.17, the Office of the OCIO, Division of Communications, is responsible for the acquisition, coordination and consolidation of all telecommunications equipment and services to include:
 - a. Telephone equipment, and services;
 - b. Data communications equipment, and services to include switches, routers, and hubs; and,
 - c. Radio equipment.

All telecommunications requests for equipment and services must be submitted via PFC (E1) on the (OT) requisition document type.

5. **Mail Equipment, Postage Meters, Postage, and Scales, etc.** – Pursuant to Neb. Rev. Stat. § 81-152(2) the Materiel Division of the Department of Administrative Services has the responsibility for all mailing operations, transportation of material, tracking shipments, and making freight claims. All acquisitions of mail equipment, postage meters, postage, and scales **must** be processed through DAS Materiel Division, Mail Center per Neb. Rev. Stat. § 81-164, with the exception of The Nebraska Department of Correctional Services for canteen items for inmates. Please contact the Mail Center at (402) 471-2293 for assistance.
6. **Micrographic Equipment** – Pursuant to Neb. Rev. Stat. § 84-1222 the State Records Administrator must approve all purchases of any microfilm system or equipment. Requests for this type of equipment **must** be submitted to SPB using an (OW) requisition in PFC (E1).

7. **Motor Vehicles:** All contract purchases of passenger vehicles are processed using an (OU) purchase order in PFC and requires approval from the DAS Transportation Services Bureau (TSB), with the exception of special-use vehicles described in State Statute Neb. Rev. Stat. § 81-1011(3)(b). Once the purchase order has been approved by TSB, the ordering agency is responsible for e-mailing the purchase order to the contractor. If such purchase includes a trade-in please refer to Item #9 below.
 - a. Special-Use Vehicles: Exceptions to Statute Neb. Rev. Stat. § 81-1011(3)(b) require the issuance of a (OK) purchase order in the PFC (E1). The ordering agency is responsible for providing the purchase order to the contractor via e-mail.
 - b. Vehicle Not on Contract: If an agency needs a vehicle that is not on contract, the agency is responsible for entering an (OI) requisition in PFC (E1).
 8. **Weapons/Firearms** – Pursuant to Neb. Rev. Stat. § 81-152, SPB is responsible for all purchases by all state agencies. It is the policy of SPB that all weapons/firearms must be processed through SPB. Weapons/Firearms of all types/models including tasers, hunting knives, etc. are considered weapons. These must be processed in PFC (E1) using an (OW) requisition. Holsters, accessories, and ammunition are not considered weapons.
 9. **Trade-Ins** – Pursuant to Neb. Rev. Stat. § 81-153(3) Materiel Division has the power and authority to initiate trade-ins when determined to be in the best interest of the State; thus it is policy that all trade-ins must be processed in PFC (E1) using an (OW) requisition to properly route to SPB, and must be approved by Materiel Division **PRIOR** to the trade-in of any equipment regardless of cost.
 10. **Information Technology (IT) Items** – Pursuant to Neb. Rev. Stat. § 81-1117, the OCIO must approve the acquisition of any information management item prior to any purchase. This includes computer equipment, peripheral devices, software, maintenance and professional services for any IT project.
 - a. The Nebraska Information Technology Commission has adopted a policy that enables the OCIO to maintain a list of preapproved items for purchase by agencies. A copy of this policy, the criteria used in conducting reviews of information management purchases and the list of preapproved items are available at <https://nitc.nebraska.gov/standards/1-205.pdf>.
 - b. For purchases not on the list of preapproved items, agencies must enter an (ON) requisition (for purchases not on contract) or generate an (O6) purchase order (from an OC or O4 contract). These document types automatically route to the OCIO for review and approval. Agencies must provide sufficient information that allows the reviewer to determine what is being purchased, the purpose, total cost, and a contact for any additional information. This information can be provided as either a text attachment or a file attachment to the header in the PFC (E1).
 - c. If the goods or services request is \$50,000 or over and not on contract, agency enters an (ON) requisition that will route to DAS Materiel Division, SPB for processing after OCIO approval.
- Requests for routine purchases, such as PCs, laptops, printers and small dollar items are typically acted upon within one (1) business day.
11. **All items based on GSA like Pricing \$50,000 and over** must be processed through and approved by the DAS Materiel Division, SPB as per State Statute Neb. Rev. Stat. § 81-153 (6). Agencies must fill out [SPB Form 4 Exception Request – GSA Like Pricing](#) and submit as an O8 requisition in E1 for approval. SPB will make the final determination on whether GSA like pricing is in the best interest of the State.
 12. **U.S. Flags and International Ethical Commitments:** It is the policy of the Department of Administrative Services to ensure that any flag of the United State of America purchased by the State of Nebraska is made on U.S. soil by Americans. The Department of Administrative Services also has an International Ethical Commitments policy that prohibits DAS from procuring goods from countries that the Office of Foreign Assets

Control of the U.S. Department of Treasury has sanctioned and from the Chinese Communist Party (“CCP”) or from companies owned by the CCP. Such policies can be viewed at our website [DAS Website: Forms and Documents \(nebraska.gov\)](#).

13. **Broadband Security.** Pursuant to Executive Order No. 23-05, the State may not award any grant funding designated for broadband deployment in Nebraska to any provider using or deploying communications equipment and services developed by organization on the Federal Communications Commission’s Covered List.