

# NEBRASKA

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DEPT. OF ADMINISTRATIVE SERVICES



Pete Ricketts, Governor

DATE: October 5, 2021  
TO: All Agencies, Boards, and Commissions  
FROM: Amara Block, Interim Materiel Administrator  
Administrative Services - Materiel Division

AB

SUBJECT: Purchase Authority and Other Procurement Reminders - FY 2021/22

This letter serves as a reminder that pursuant to § 81-161.03 purchases for miscellaneous needs may be made directly by agency personnel without prior approval from Materiel Division for purchases less than \$25,000 if such personnel has completed a certification program (see paragraph C – PROCUREMENT CERTIFICATION below) as prescribed by the Materiel Division. Exceptions to this authorization are itemized on **Attachment I**, attached to this authorization letter. Please read this document thoroughly and utilize same for future reference. Other important reminders include:

## A. PROCUREMENT PROCESSES AND RESTRICTIONS:

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 in the PFC (E1) or the DAS Materiel Division, SPB website at [https://www.nebraska.gov/das/materiel/purchasing/contract\\_search/index.php](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:** A P-card may be used for purchases of non-IT commodities \$2,000 or less, provided the item(s) are not on contract, unless otherwise approved, in writing, by the Materiel Administrator or designee. Please contact the Materiel Administrator for authority requests. State Accounting administers the P-Card Program.
3. **Non-Contract Purchases:** For non-contract purchases over \$2,000.00 a purchase order must be generated in the PFC (E1) **prior** to placing the order with the vendor. Purchase orders encumbers agency funds. Purchase orders are to 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 [Purchase Order Terms and Conditions.pdf \(das.nebraska.gov\)](#)).
  - a. **Direct Purchases \$2,000 - \$25,000:** (Policy) **Agencies are highly encouraged** to solicit bids from a minimum of three (3) vendors to ensure effective and reasonable pricing whenever possible.

Amara Block, Interim Materiel Administrator

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- 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 § 81-161.03.
4. **Drug Free Work Place:** Per Executive Order, Agencies are responsible for ensuring that vendors support a Drug-Free Work Place 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 Work Place policies. 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 work place 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 generate a (ZO) purchase order in the PFC (E1).
6. **Dept. of Correctional Services - Cornhusker State Industries (CSI):** §§ 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 it 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 (OW) requisition in the PFC (E1), to properly route to SPB, and shall include a justification for not procuring through CSI 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 at: <https://das.nebraska.gov/forms/index.html#mat> are to be made by generating a purchase order in the PFC (E1) and utilizing an appropriate object code from 580300-586999.
8. **IT Equipment (§ 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 generate 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 generate 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, i.e. 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 are to generate an (O6) purchase order from an (OC) goods contract or (O4) services contract.

**B. SERVICE CONTRACTS:** Pursuant to § 73-503 all contracts for services, regardless of dollar amount, must be entered and documented in PFC (E1).

1. If there isn't a contract, and the purchase order is \$25,000 or greater, but less than \$50,000, a one-time purchase order must be generated utilizing the (O9) service purchase order or (Z8) two-way match purchase order for services in the PFC (E1).
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. Purchase orders must have an authorized signature prior to sending order to the contractor.

**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 [Purchase Order Terms and Conditions.pdf \(das.nebraska.gov\)](#)). Purchase orders are to clearly state the service to be provided, quantity and the price(s), and delivery requirements. The purchase order encumbers agency funds.

**C. PROCUREMENT CERTIFICATION:** In order to obtain Payroll and Financial Center (PFC) security levels of PT30 or higher, it is required to attend and successfully complete the Procurement Full Scope & Certification Training program. As noted in the pre-work section, the online training course, "State Procurement Certification Training" must be completed prior to attending the in-person session. The online training course includes training on procurement fundamentals and basic procurement processes. Program managers responsible for developing specifications and scopes of work are also encouraged to take the online training course. The PFC Procurement Training is conducted at a minimum of once per quarter. Register for PFC Procurement Training through the Employee Development Center at <http://link.nebraska.gov/>. Questions regarding certification should be directed to State Purchasing Bureau at 402-471-6500 or email [as.materiel purchasing@nebraska.gov](mailto:as.materiel purchasing@nebraska.gov).

**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. The SPB intends to restart PUG meetings in the future, however, no PUG meetings are scheduled at this time. The SPB will put out a notice when a PUG meeting is scheduled.

**E. STATE CONTRACTS DATABASE - PUBLIC WEBSITE:** § 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 that are not from a contract are also to be included in the database, as they constitute an agreement to expend state funds. This database is also to include expired contracts previously included in the database which have not been disposed of pursuant 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 located on the State Purchasing website at: [https://das.nebraska.gov/materiel/purchase\\_bureau/docs/manuals/2018%20Procurement%20Manual%20-%20Updated%2009132018.pdf](https://das.nebraska.gov/materiel/purchase_bureau/docs/manuals/2018%20Procurement%20Manual%20-%20Updated%2009132018.pdf). Agency staff are encouraged to read the manual 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 offices at 402-471-6500. Thank you.

Attachment



**ATTACHMENT I  
RESTRICTED ITEMS**

**ITEMS RESTRICTED FROM DIRECT PURCHASE AUTHORIZATION ARE LISTED BELOW.** Normal statutory authorization **cannot** be used for these items. These items **cannot** be purchased by any agency for any dollar amount without prior written approval of DAS Materiel Division, State Purchasing Bureau (SPB), Office of the Chief Information Officer (OCIO), or Motor Vehicles, Transportation Services Bureau (TSB).

1. **Office Supply Items** –Pursuant to § 81-1118 (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 Office Depot or other contract established by the State Purchasing Bureau. The Account Application form can be found on our website at: <https://das.nebraska.gov/materiel/docs/homedepot/OfficeDepotAccountApplication.pdf> 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 Office Depot website, contact the Buyer 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 § 81-1118 (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 § 81-1118 ( 4) Copy Services is responsible for the purchasing and placement of all copier requirements. Please contact Copy Services at (402) 471-29121 for assistance.
4. **Telecommunication Equipment** –Pursuant to § 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 § 81-1118 (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 § 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 § 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 § 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 § 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 a requisition in the Payroll and Financial System using the (OI) requisition in PFC.
8. **Weapons/Firearms** – Pursuant to § 81-1118 (5), 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. The DAS Materiel Division may grant direct purchase authority to the agency, on an individual basis, if the order is less than \$50,000. Holsters, accessories and ammunition are not considered weapons.
9. **Trade-Ins** – Pursuant to § 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 System (IT) Items** – Pursuant to § 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 generate an (ON) document type (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 note or an 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 generates an (ON) requisition 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 §81-153 (7). Agencies must provide a copy of the GSA cover page, contract and pricing documents along with the requisition. SPB will make the final determination on whether GSA like pricing is in the best interest of the State. Agencies are required to attach a copy of the GSA contract to the purchase requisition in PFC as a header attachment.