

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 21**

Introduced by Kolterman, 24; Wayne, 13.

Read first time January 10, 2019

Committee:

- 1 A BILL FOR AN ACT relating to state government; to amend section 73-504,
- 2 Reissue Revised Statutes of Nebraska; to provide formal protest
- 3 procedures for certain contracts for services; to provide duties for
- 4 the Department of Administrative Services; to harmonize provisions;
- 5 and to repeal the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 73-504, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 73-504 (1) Except as provided in section 73-507:

4 (a) ~~(1)~~ All state agencies shall comply with the review and  
5 competitive bidding processes provided in this section for contracts for  
6 services. Unless otherwise exempt, no state agency shall expend funds for  
7 contracts for services without complying with this subsection ~~section~~;

8 (b) ~~(2)~~ All proposed state agency contracts for services in excess  
9 of fifty thousand dollars shall be bid in the manner prescribed by the  
10 division procurement manual or a process approved by the Director of  
11 Administrative Services. Bidding may be performed at the state agency  
12 level or by the division. Any state agency may request that the division  
13 conduct the competitive bidding process;

14 (c) ~~(3)~~ If the bidding process is at the state agency level, then  
15 state agency directors shall ensure that bid documents for each contract  
16 for services in excess of fifty thousand dollars are prereviewed by the  
17 division and that any changes to the proposed contract that differ from  
18 the bid documents in the proposed contract for services are reviewed by  
19 the division before signature by the parties;

20 (d) ~~(4)~~ State agency directors, in cooperation with the division,  
21 shall be responsible for appropriate public notice of an impending  
22 contractual services project in excess of fifty thousand dollars in  
23 accordance with the division's procurement manual and sections 73-501 to  
24 73-510; and

25 (e) ~~(5)~~ State agency directors, in cooperation with the division,  
26 shall be responsible for ensuring that a request for contractual services  
27 in excess of fifty thousand dollars is filed with the division for  
28 dissemination or web site access to vendors interested in competing for  
29 contracts for services.

30 (2)(a) The Department of Administrative Services shall immediately  
31 adopt and promulgate rules and regulations establishing formal protest

1 procedures, including for provision of a contested case hearing, for any  
2 contract for services awarded by any state agency pursuant to this  
3 section in excess of five million dollars.

4 (b) If the Department of Administrative Services receives a formal  
5 protest pursuant to subdivision (a) of this subsection, the department  
6 shall proceed with notice and hearing for a contested case pursuant to  
7 the Administrative Procedure Act. The hearing shall be held within sixty  
8 days after receipt of the protest by the department.

9 (c) Any party may appeal the final decision, and the appeal shall be  
10 in accordance with the Administrative Procedure Act. An appeal shall only  
11 be made after all administrative remedies have been exhausted.

12 (d) The formal protest procedures established under this subsection,  
13 and any subsequent review under the Administrative Procedure Act, shall  
14 be the sole and exclusive means of protesting or otherwise challenging a  
15 contract award decision covered by this subsection.

16 Sec. 2. Original section 73-504, Reissue Revised Statutes of  
17 Nebraska, is repealed.