

February 13, 2012

Senator Bill Avery  
Government, Military, and Veterans Affairs  
State Capitol

Dear Senator Avery and members of the Government, Military and Veterans Affairs Committee:

I am writing in support of LB 765. The Department understands and accepts the premise and intent of LB 765 and will comply with its requirements. We understand that the impetus of the bill is the State's reaction to the Department's development of lead contractors for child welfare services.

While the Department issued a Request for Qualifications, which allowed us to gather significant information and allowed interested bidders to compete for a contract, we could have used the Department of Administrative Services' competitive bid process. LB 765 requires the Department to conduct a competitive bid process for any contracts of \$25M or more and to conduct an analysis of any proposed contract, viewing the cost of the contract in relationship to its anticipated benefits, whether those benefits are in financial terms or human terms or both.

We agree that LB 765 represents sound management practices. The Department filed a fiscal note on the bill to hire a staff person to perform the cost benefit analysis. The Department should be conducting an analysis as suggested in LB 765 regardless of whether or not statute requires it. As such, the Department will meet the requirements of LB 765 with existing resources and will not need additional funding should LB 765 become law.

I would like to add that the Department appreciated working with the staff of the Legislative Performance Audit Committee. They were professional and committed to understanding the history and work of child welfare reform.

Please contact me with any questions or concerns.

Sincerely,



Kerry T. Winterer, CEO  
Nebraska Department of Health and Human Services