



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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January 28, 2026

Maureen Larsen, Director
Nebraska Department of Economic Development
245 Fallbrook Blvd, Suite 002
Lincoln, Nebraska 68521

Dear Ms. Larsen:

As you may know, the Nebraska Auditor of Public Accounts (APA) has received several concerns regarding a contract between the Nebraska Department of Economic Development (Department) and Global Sustainability Developers, LLC, (GSD) made pursuant to a Legislative directive to grow the State's bioeconomy industry. As a result, the APA began limited preliminary planning work to determine if a full financial audit or attestation would be warranted. Pursuant thereto, the APA obtained financial records and other relevant documentation from the Department and other related entities. Based on the outcome of this preliminary planning work, including an analysis of the information obtained, the APA has determined that a separate financial audit or attestation is unnecessary at this time.

Nevertheless, during the course of the preliminary planning work, the APA noted certain issues that merit corrective action.

Background Information

Legislative Bill (LB) 1412 (2024), which was introduced at the request of the Governor on January 18, 2024, became law on April 2, 2024. Section 106 of that legislation appropriated funds to the Department for "Program No. 603 - Industrial Recruitment," stating the following:

There is included in the appropriation to this program for FY2023-24 \$2,500,000 General Funds to enter into a contract with an entity to assist the state, for a period of one year ending no later than June 30, 2025, with growing the state's bioeconomy industry as defined by 88 Fed. Reg. 25711 (2023). The entity shall recommend and support strategies that secure federal grants for Nebraska and increase the state's real gross domestic product through bioeconomy development initiatives. The Department of Economic Development shall electronically provide the results of the bioeconomy development initiative to the Legislative Council on or before June 30, 2025.

Only one month after this legislative directive went into effect, the Department entered into a 14-month, \$2.5 million service contract (Contract) with GSD on an emergency (no-bid) basis. Per the terms of that agreement, the Department was to make monthly payments of \$208,333 to GSD upon receipt of invoices that adequately substantiated the performance metrics and work completed by GSD.

The following brief timeline chronologizes significant events pertaining to the implementation of LB 1412 (2024) and the resulting multi-million-dollar bioeconomy Contract between GSD and the Department:

- **April 2, 2024** – LB 1412 (2024) went into effect.
- **April 29, 2024** – Former Department Director K.C. Belitz sent his former Deputy Director – Operations/Chief Legal Officer, Joseph Lauber, an email message that said, in part: “Here is the language for the bio-economy contract - already vetted thru Julie and the Governor, so I think it’s ready to be plugged in. Let me know if there are other questions we need to answer.”
- **April 30, 2024** – Former Deputy Director Lauber responded to former Director Belitz’s email message containing language from the pending Contract, asking: “Do we know the business name of the entity we will contract with and how the payment schedule should be laid out? I think that is all we need to move forward.”
- **April 30, 2024** – Former Deputy Director Lauber emailed the President and CEO of GSD, Julie Bushell, a draft of the pending Contract and requested an image of a voided GSD check.
- **May 1, 2024** – Ms. Bushell signed the Contract. Former Director Belitz signed the Contract the following day on May 2, 2024. See **Attachment A** herein.
- **May 7, 2024** – Former Deputy Director Lauber signed an incomplete Procurement Exception/Deviation Form for an emergency contract. Not only was the form dated prior to when it was signed on this day, but also its entire second page, which contained questions regarding the reasons for designating the contract as an emergency, was left blank – meaning that, contrary to express statutory mandate, no Department justification of the emergency was provided. See **Attachment B** herein.
- **May 29, 2024** – Ms. Bushell sent the Department a newly obtained cancelled check from a bank account opened for GSD earlier that month, as well as the initial invoice and status report.
- **October 29, 2024** – A three-page amendment to the Contract was signed to expand the language in both § 4.09 (“Conflict of Interest”) and § 4.17 (“State of Nebraska Non-Liability/Hold Harmless”) of the Contract, permitting GSD “to enter into separate agreements with third parties wherein the Contractor serves as a compensated service provider for the third party” and obligating the Department to hold GSD harmless from “any and all claims or demands” or “any loss or damage” resulting from such separate agreements, respectively. Requested by Ms. Bushell, the amendment was prepared and signed by former Deputy Director Lauber. See **Attachment C** herein.
- **January 29, 2025** – In response to a January 23, 2025, email inquiry by the APA regarding, among other things, “why the statutory bidding requirements were not applicable” to the Contract, former Director Belitz stated the following: “The contract was submitted as an emergency contract to comply with the requirements of the bill and, specifically, to electronically provide the results of the bioeconomy development initiative to the Legislative Council on or before June 30, 2025.”
- **February 28, 2025** – The Contract, with a monthly payment schedule spanning from May 2, 2024, through April 1, 2025, was amended to terminate approximately two months early on February 28, 2025. See **Attachment D** herein.
- **March 5, 2025** – During a public hearing before the Legislature’s Appropriations Committee, former Director Belitz stated, “With the change in the Federal administration came an opportunity to amend the agreement with GSD to shorten the term.” He added, “[W]e amended the contract to save the Nebraska taxpayers more than \$400,000.”
- **July 8, 2025** – Auditor Foley and APA staff met with former Director Belitz regarding the Contract and filings required under LB 1412 (2024). During this meeting, the former Director stated that he was unsure whether the final “Nebraska Bioeconomy Report” had been filed with the Legislative Council, and he could recall little about the Department’s interactions with GSD prior to the Contract.
- **July 11, 2025** – The Department filed the “Nebraska Bioeconomy Report” that, per the express terms of LB 1412 (2024), was due more than a week-and-a-half earlier on June 30, 2025.
- **September 18, 2025** – Auditor Foley and APA staff met with Ms. Bushell to discuss the Contract and the work performed by GSD. During this meeting, Ms. Bushell explained the services provided by GSD pursuant to the Contract, including her role in securing Federal grants and loans for Nebraska businesses and governmental entities.

The following comments and recommendations, which have been discussed with the appropriate members of the Department, are intended to improve internal control or result in other operating efficiencies.

Comments and Recommendations

1. Apparent Backdating of Forms and Approvals by the Department

The APA observed, on at least two occasions, apparent attempts by the Department's former Deputy Director – Operations/Chief Legal Officer, Joseph Lauber, to backdate documents relating to the bioeconomy Contract with GSD. Such actions, described in further detail below, give rise to several concerns involving the possible abuse of public records.

Designation of Contract as an Emergency Contract

According to the Department, fulfillment of the bioeconomy Contract with GSD was considered an emergency because, per the following language in LB 1412 (2024), the \$2.5 million appropriated to fund it would be available for only one year:

There is included in the appropriation to this program for FY2023-24 \$2,500,000 General Funds to enter into a contract with an entity to assist the state, for a period of one year ending no later than June 30, 2025, with growing the state's bioeconomy industry

(Emphasis added.) Upon inquiry by the APA, the Department stated as much in the following response:

The contract was submitted as an emergency contract to comply with the requirements of the bill and, specifically, to electronically provide the results of the bioeconomy development initiative to the Legislative Council on or before June 30, 2025.

Due to the Department's "emergency" designation, the \$2.5 million Contract with GSD was exempt from the statutory competitive bidding requirements found in the State Procurement Act (Act), which is set out at Neb. Rev. Stat. §§ 73-801 to 73-819 (Cum. Supp. 2024, Supp. 2025). Specifically, Neb. Rev. Stat. § 73-813 (Supp. 2025) of the Act says, in relevant part, the following:

(1) Subject to review by the Director of Administrative Services, the division shall provide procedures to grant limited exceptions from sections 73-807, 73-815, and 73-816 for:

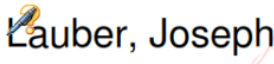
(a) Sole source contracts, emergency contracts, and contracts when the price has been established by the federal General Services Administration or competitively bid by another state or group of states, a group of states and any political subdivision of any other state, a political subdivision of another state, or a cooperative purchasing organization on behalf of a group of states or political subdivisions of other states[.]

(Emphasis added.) Additionally, when an emergency contract is utilized, Neb. Rev. Stat. § 73-815 (Cum. Supp. 2024) requires the following:

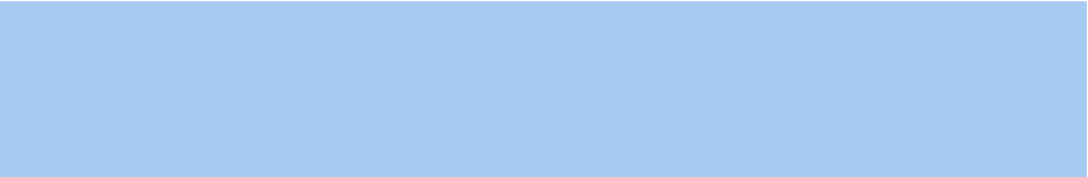
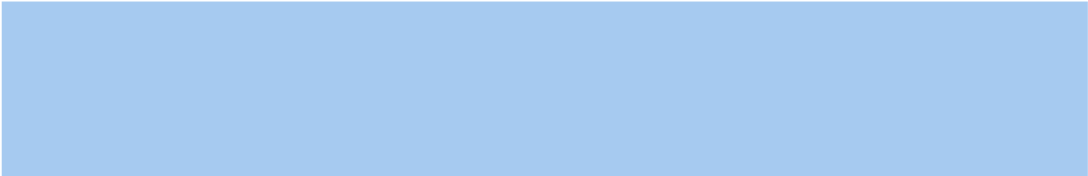
Except as provided in section 73-813, all proposals for sole source contracts for services in excess of fifty thousand dollars shall be preapproved by the division except in emergencies. In case of an emergency, contract approval by the state agency director or his or her designee is required. A copy of the contract and state agency justification of the emergency shall be provided to the Director of Administrative Services within three business days after contract approval. The state agency shall retain a copy of the justification with the contract in the state agency files. The Director of Administrative Services shall maintain a complete record of such sole source contracts for services.

(Emphasis added.) Former Deputy Director Lauber digitally signed the requisite Procurement Exception/Deviation Form on May 7, 2024. (See **Attachment B** herein.) That form was dated May 1, 2024, however. The Contract was signed by GSD on May 1, 2024, several days prior to the emergency contract approval.

Shown below is the digital time-stamped signature:

Signature of Procuring Agency		Digitally signed by Lauber, Joseph Date: 2024.05.07 10:55:40 -05'00'
Title:	Deputy Director	
SPB Form GS-1 Revised 11/02/2023 Page 1 of 2		

Additionally, the entire second page of the form was left blank, with no responses being provided to any of the questions posed therein. The following is an excerpt of that form's second page:

FORM RESET
1) Explain why the procurement cannot be competitively bid (N/A to Restrictive Bids). Sole Source Service Note: The agency must describe how the contractor is clearly and justifiably the only practicable source to provide the service based on either uniqueness of the service or sole availability at the location required.

2) What other options were researched?


By failing to complete the Procurement Exception/Deviation Form – especially, as shown above, the portion asking “why the procurement cannot be competitively bid” – the Department was in open violation of § 73-815, which requires “justification of the emergency” to be given to the Director of Administrative Services. Failure to provide such justification raises further questions, moreover, regarding the necessity and reasonableness of designating the Contract as an emergency.

Apparent Attempt to Conceal Untimely Filing of Report with the Nebraska Legislature

In addition to appropriating \$2.5 million for “growing the state’s bioeconomy,” LB 1412 (2024) required the Department to “provide [electronically] the results of the bioeconomy development initiative to the Legislative Council on or before June 30, 2025.” Compliance with such a directive is typically accomplished by an agency uploading the required document directly to the Legislative Council’s online “View Agency Reports” page (<https://nebraskalegislature.gov/agencies/view.php>). The APA noted, however, that the report had not been uploaded accordingly – nor was there indication of any alternative submission – by the last day of June of 2025.

On July 8, 2025, the APA met with former Department Director K.C. Belitz at his office to request the results of the bioeconomy development initiative that was supposed to have been sent electronically to the Legislative Council over a week earlier. Unable to recall if the report had been submitted, former Director Belitz stated that he would ask his then-Deputy Director – Operations/Chief Legal Officer, Joseph Lauber, to send us a copy of it right away. Having received no further communication from the Department by July 11, 2025, however, the APA emailed former Director Belitz regarding the status of the requested electronic report filing. He responded shortly thereafter, at 11:11 a.m., that former Deputy Director Lauber was preparing to send the document to the APA that day.

On July 11, 2025, at 12:22 p.m., former Deputy Director Lauber emailed the following to the APA:

Subject: LB 1412 (2024) Bioeconomy Report and Amendment

Good Afternoon Auditor Foley,

Director Belitz asked me to forward two items to your attention (attached):

1. The Bioeconomy Initiative Report that was uploaded to the Legislative Council through the legislature website pursuant to LB 1412 (2024), and

2. The contract amendment with Global Sustainability Developers, LLC which amended the termination date to February 28, 2025.

All of the materials for the required report were collected by DED prior to June 30, 2025 but were awaiting compiling.

Please let me know if there is any additional information I can provide.

Regards,

Joe

Joseph H. Lauber
Deputy Director – Operations/Chief Legal Officer

Nebraska Department of Economic Development



Even though former Deputy Director Lauber produced a copy of the “Nebraska Bioeconomy Report,” the APA attempted to verify that, in fact, it had been uploaded to the Legislative Council’s website. Contrary to the assertion in the email, however, no such upload had occurred. At 1:14 p.m. on Friday, July 11, 2025, the APA emailed former Deputy Director Lauber once more, asking if the report had been uploaded prior to the June 30, 2025, deadline, pointing out that it was still not showing up on the legislative webpage. In that same message, the APA requested also a copy of the confirmation email that former Deputy Director Lauber should have received as part of the uploading process.

At 1:26 p.m. on that same afternoon, Mr. Lauber replied that the “Nebraska Bioeconomy Report” was “just uploaded today,” acknowledging that it had not been filed timely. That email message is shown below:

Subject: RE: LB 1412 (2024) Bioeconomy Report and Amendment

Hi Craig,

Yes, it was just uploaded today and not prior to June 30. It appears on the website link you provided now (see below), I did not receive a confirmation email yet.

Recently Filed Reports		
Statute	Report	Date Filed
LB1412 (2024)	 Nebraska Bioeconomy Report Economic Development, Department of	July 11, 2025
24-232	 Eviction Proceedings Bi-Annual Data Report	July 10, 2025

The information for the report was available at DED prior to June 30 but the report awaited compiling.

Joe

Joseph H. Lauber
Deputy Director – Operations/Chief Legal Officer

The following day, July 16, 2025, the APA requested once more a copy of the standard confirmation email that an agency receives upon uploading a document to the Legislative Council's webpage. Mr. Lauber responded almost immediately with the following message:

Subject: Re: LB 1412 (2024) Bioeconomy Report and Amendment

Hi Craig,

I still have not received one. Normally I do within minutes of the upload. However, it did apparently get successfully uploaded. I have also check my junk mail box for it and it is not there either.

Joe


Joseph H. Lauber
Deputy Director – Operations/Chief Legal Officer





Well aware, based on practical experience, of how the upload process works, the APA reached out to the NE Legislative Technology Center to confirm when the Department had uploaded the required report. The APA received the following response:


The server mail log indicates that the receipt email for the uploading of this report was sent to Joseph.Lauber@nebraska.gov on July 11, 2025 at 1:18:39 PM.

The APA provided this information to former Deputy Director Lauber, after which he found the submission receipt email, as shown below, in his computer's **Deleted Items** folder:

Agency Report Submission Receipt

 Support <support@leg.ne.gov>
To: Lauber, Joseph
Retention Policy: Deleted Items (30 days) Expires: 8/11/2025
Fri 7/11/2025 1:19 PM

 Reply  Reply All  Forward 

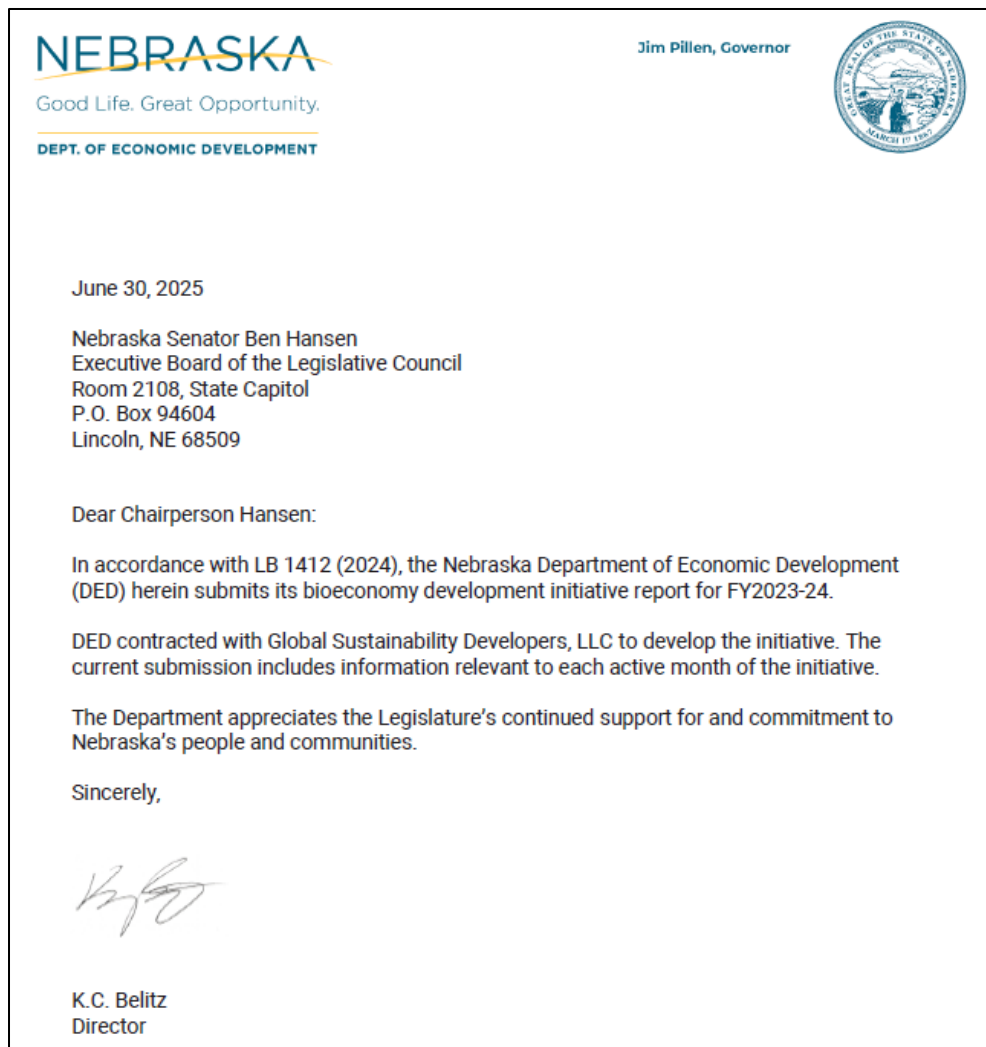
 This item will expire in 3 days. To keep this item longer apply a different Retention Policy.
EXTERNAL SENDER - This email originated from outside of the State of Nebraska Enterprise Email System. Even if you recognize the sender, DO NOT open ATTACHMENTS or LINKS unless you know the content is safe.
We removed extra line breaks from this message.

Your report has been filed with the Legislature. For reference, your Filing ID is #4334.

You may view the report at <https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fnebraskalegislature.gov%2Fagencies%2Fview.php&data=05%7C02%7Cjoseph.lauber%40nebraska.gov%7Cb18191a589bb45c5d55008ddc0a75c92%7C043207dfe6894bf6902001038f11f0b1%7C0%7C0%7C638878547221401967%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMtIsikFOljoITWFpbCIsIlldUijoyfQ%3D%3D%7C0%7C%7C%7C&sdata=8vqQHwUTbLVuvMXmZxJiIPTSukuEbEGjilUpUMLa%2FoNw%3D&reserved=0> by selecting your agency name and year of filing.

Report Of: Nebraska Bioeconomy Report
Agency: Economic Development, Department of Filed On: July 11, 2025

As shown in the following excerpt, the “Nebraska Bioeconomy Report” was allegedly signed and dated by former Director Belitz on June 30, 2025:



However, the Microsoft Word and PDF documents comprising the report were not created until July 9, 2025 – the day after the APA met with former Director Belitz – and modified shortly before being sent to the APA two days later.

Shown below is an image of the report's PDF properties, revealing the document's July 9, 2025, creation date and July 11, 2025, modification:

General			
File:	Bio Economy Report 6-30-25.pdf		
Creator:	Acrobat PDFMaker 24 for Word		
Producer:	Adobe Acrobat (64-bit) 25.1.20531		
Created:	Wednesday, July 9, 2025 10:23:20 AM		
Modified:	Friday, July 11, 2025 10:23:05 AM		
Location:	C:\Users\craig.kubicek\AppData\Local\Microsoft\Windows\NetCache\Content.Outlook		
PDF version:	1.7 (Acrobat 8.x)	Number of pages:	28
Size:	2.70 MB (2,835,676 Bytes)	Tagged PDF:	Yes
Page Size:	8.50 x 11.00 in	Fast Web View:	N/A

The APA also obtained a copy of the Microsoft Word file used by former Deputy Director Lauber to produce the report, which confirms that this file also was not created until July 9, 2025, as shown in the following image.

Properties ▾	
Size	229KB
Pages	1
Words	91
Total Editing Time	13 Minutes
Title	Add a title
Tags	Add a tag
Comments	Add comments
Related Dates	
Last Modified	7/9/2025 10:18 AM
Created	7/9/2025 10:06 AM

Instead of admitting that the report was not filed timely and dating it accordingly, the Department appears to have backdated the signing of the report to June 30, 2025, which was when it was due to the Legislature.

Per Neb. Rev. Stat. § 84-304(3)(a) (Supp. 2025), the APA adheres to a set of government auditing standards to ensure independence, objectivity, and competence in the performance of our work. Among other things, those standards require APA staff to obtain reliable evidence for any examination. The legitimacy of information received from a public entity is essential for creating accurate and trustworthy reports that contribute to accountability and better governance in Nebraska – both of which are fundamentally undermined when auditors are provided with documentation that was created or modified deceptively after being requested.

Furthermore, providing falsified documentation to the Department of Administrative Services, the Nebraska Legislature, and the APA gives rise to serious concerns regarding possible violations of State law.

To start, Neb. Rev. Stat. § 84-305.02 (Reissue 2024) criminalizes willfully interfering with or misleading any examination by the APA, as follows:

Any person who . . . willfully obstructs or hinders the conduct of an audit, examination, or related activity by the Auditor of Public Accounts, or who willfully misleads or attempts to mislead any person charged with the duty of conducting such audit, examination, or related activity shall be guilty of a Class II misdemeanor.

(Emphasis added.) Additionally, Neb. Rev. Stat. § 28-911 (Reissue 2016) prohibits “abuse of public records,” as follows:

(1) A person commits abuse of public records, if:

(a) He knowingly makes a false entry in or falsely alters any public record; or

(b) Knowing he lacks the authority to do so, he intentionally destroys, mutilates, conceals, removes, or impairs the availability of any public record; or

(c) Knowing he lacks the authority to retain the record, he refuses to deliver up a public record in his possession upon proper request of any person lawfully entitled to receive such record; or

(d) He makes, presents, or uses any record, document, or thing, knowing it to be false, and with the intention that it be taken as a genuine part of the public record.

(2) As used in this section, the term public record includes all official books, papers, or records created, received, or used by or in any governmental office or agency.

(3) Abuse of public records is a Class II misdemeanor.

(Emphasis added.) Neb. Rev. Stat. § 28-924 (Reissue 2016) creates the offense of “official misconduct” by a public servant, as follows:

(1) A public servant commits official misconduct if he knowingly violates any statute or lawfully adopted rule or regulation relating to his official duties.

(2) Official misconduct is a Class II misdemeanor.

Moreover, falsifying a public record through any form of alteration intended to deceive, including backdating an official document to give the misleading appearance of proper statutory compliance, and then attempting to mislead a formal inquiry into the matter, runs contrary to the Nebraska Rules of Professional Conduct, established by the Nebraska Supreme Court for attorneys in this State. In particular, Neb. Ct. R. of Prof. Cond. § 3-508.4, says the following, in relevant part:

It is professional misconduct for a lawyer to:

** * * **

(b) commit a criminal act that reflects adversely on the lawyer’s honesty, trustworthiness or fitness as a lawyer in other respects;

(c) engage in conduct involving dishonesty, fraud, deceit or misrepresentation[.]

State officials or employees who intentionally create inaccurate or deceptive documents, regardless of whether to support contracts and agency filings or otherwise, not only hamper the proper administrative functions of the agencies that they represent but also erode overall trust and confidence in the public sector – spawning a rise in popular cynicism that is inimical to representative government.

We recommend the Department refrain from engaging further in the practice of altering documentation in an apparent attempt to mislead not only the APA but also the Legislature and public. Moreover, because the issue addressed herein gives rise to concerns regarding possible violations of State law, we are referring this information to the Nebraska State Patrol, the Nebraska Attorney General, and the Office of the Counsel for Discipline for further review.

Department Response:

DED will draft a policy and procedure to include a secondary administrative review of DED emergency contract submissions to the Department of Administrative Services (DAS) to ensure that the state agency emergency justification is completed as required.

DED conducts annual Fraud, Waste and Abuse training for its staff. DED will require that all DED staff attend the training in 2026 and thereafter. DED will reinforce in its training materials that there is a prohibition on altering documentation to mislead regulators, auditors, the Legislature and the public and reinforce a mandate that all records must be truthful, complete, and accurately represent events and transactions. DED will also include these principles in its record retention policies.

2. State Contract Compliance Issues

Contrary to State law, the Department neglected to enter two important Contract amendments into either the State’s accounting system or the State contract database.

On October 29, 2024, almost six months after the Contract went into effect, GSD and the Department adopted a three-page amendment thereto for the purpose of expanding the language in both § 4.09 (“Conflict of Interest”) and § 4.17 (“State of Nebraska Non-Liability/Hold Harmless”). (See **Attachment C** herein.)

As amended, § 4.09 stated the following:

The Contractor covenants that it presently has no interest and will not acquire any interest direct or indirect, which will conflict in any manner or degree with the performance of the services required under this contract. The Contractor further agrees that no person having any such known conflicts of interest shall be employed by it during the performance of this contract. Provided, however, that the Contractor shall be permitted to enter into separate agreements with third parties wherein the Contractor serves as a compensated service provider for the third party. The Contractor shall be permitted to provide services to third parties in exchange for compensation. If Contractor enters into such a separate agreement, Contractor shall not be deemed to be in breach of this Section 4.09 or any other provision of this contract.

Section 4.17 was amended in a complementary fashion to read as follows:

The Contractor shall indemnify and hold the Department and the State of Nebraska harmless from any and all claims or demands made by any person or any loss or damage sustained by any person as a direct result of the negligent or willful acts of the Contractor, its employees, or agents in the performance of this contract. The Department shall hold the Contractor harmless from any and all claims or demands made by any person, including the State of Nebraska, or any loss or damage sustained by any person as a direct result of the Contractor’s rights under Section 4.09 of this contract.

Some four months later, on February 28, 2025, almost four months before the Contract was to expire, GSD and the Department agreed to a second amendment. (See **Attachment D** herein.) Per that amendment, the original 14 month-long term of the Contract – with monthly payments spanning from the May 2, 2024, execution date to April 1, 2025 – was cut short, ending on the date the amendment was signed. Accordingly, the total payment to GSD was reduced from the original \$2,500,000.00 to \$2,083,333.34.

Neb. Rev. Stat. § 73-806(1) (Cum. Supp. 2024) states the following:

All state agencies shall process and document all contracts through the state accounting system. The Director of Administrative Services shall specify the format and type of information for state agencies to provide and approve any alternatives to such formats. All state agencies shall enter the information on new contracts and amendments to existing contracts. State agency directors shall ensure that contracts are coded appropriately into the state accounting system.

(Emphasis added.) Similarly, Neb. Rev. Stat. § 84-602.04(4)(a) (Supp. 2025) provides the following:

The website described in this section shall include a link to the website of the Department of Administrative Services. The department’s website shall contain:

(i) A database that includes a copy of each active contract that is a basis for an expenditure of state funds, including any amendment to such contract and any document incorporated by reference in such contract. For purposes of this subdivision, amendment means an agreement to modify a contract which has been reduced to writing and signed by each party to the contract. The database shall be accessible by the public and searchable by vendor, by state entity, and by dollar amount. All state entities shall provide to the Department of Administrative Services, in electronic form, copies of such contracts for inclusion in the database beginning with contracts that are active on and after January 1, 2014, except that for any state entity that becomes subject to this section due to the changes made by Laws 2016, LB851, such state entity shall provide copies of such contracts for inclusion in the database beginning with contracts that are active on and after January 1, 2017; and

(ii) A database that includes copies of all expired contracts which were previously included in the database described in subdivision (4)(a)(i) of this section and which have not been disposed of pursuant to policies and procedures adopted under subdivision (4)(e) of this section. The database required under this subdivision shall be accessible by the public and searchable by vendor, by state entity, and by dollar amount.

(Emphasis added.) A proper system of internal control requires procedures to ensure that Department contracts, as well as any amendments thereto, are entered into the State contract database, as required by statute. Without such procedures, there is an increased risk of the Department's failure to comply with applicable statutory requirements.

We recommend the implementation of procedures to ensure all Department contracts, as well as any amendments thereto, are entered into the State contract database in a timely manner.

Department Response:

DED will draft a policy and procedure that requires DED staff to submit all contracts, as well as any corresponding amendments, into the State contract database in a timely manner.

3. Failure to Comply with LB 1412

As explained previously herein, LB 1412 (2024) required the Department not only "to enter into a contract with an entity to assist the state . . . with growing the state's bioeconomy industry" but also to "provide [electronically] the results of the bioeconomy development initiative to the Legislative Council on or before June 30, 2025." The entity contracting with the Department was also required to "recommend and support strategies that secure federal grants for Nebraska and increase the state's real gross domestic product through bioeconomy development initiatives."

Based upon information obtained by the APA, these requirements appear not to have been fulfilled adequately.

The APA asked Department representatives how it would be possible to measure, much less ensure, an increase in the State's real gross domestic product (GDP) – which, per the terms of the Contract, was one of the services required to be provided by GSD. The Department responded as follows:

Because GDP is a macroeconomic measurement and the Initiative or Department does not have control over the total economic output for an industry in the State, the Department is unable to ensure an increase in the state's real GDP.

In addition, the 14-month bioeconomy Contract was terminated approximately four months early, effective February 28, 2025, resulting in the expenditure of only \$2,083,333.33 of the original \$2,500,000.00 agreed amount. Despite this, the subsequent "Nebraska Bioeconomy Report," required to detail the "results of the bioeconomy development initiative," was not filed by the Department until July 11, 2025, more than a week-and-a-half after the June 30, 2025, due date.

A proper system of internal control requires procedures to ensure that the Department adheres strictly to applicable legislative appropriation requirements. Without such procedures, there is an increased risk for not only noncompliance with such directives but also misuse of State funds.

We recommend the implementation of procedures to ensure the Department's strict adherence to applicable legislative appropriation requirements. This would include, when possible, reviewing pending legislation to ensure that the requirements therein are attainable.

Department Response:

The Department has restructured its legal team by creating the Legislative and Professional Services Division. The team will provide services to the entire agency and will be better positioned to advise the agency on pending legislation and adherence to legislative appropriation requirements. All relevant legislative bills are reviewed by the Legislative and Professional Services Team, which includes a review by program management if needed to determine the resources which would be necessary to implement any legislation. In addition, the Department will maintain a comprehensive list/calendar of all required legislative reporting requirements and deadlines to be maintained by the Legislative and Professional Services Division in consultation with the Department's leadership, program management, and Compliance team.

* * * * *

Our audit procedures are designed primarily on a test basis and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. Our objective is, however, to use the knowledge gained during our work to make comments and recommendations that we hope will prove useful to the Department.

Draft copies of this letter were furnished to the Department to provide its management with an opportunity to review and to respond to the comments and recommendations contained herein. Any formal response received has been incorporated into this letter. Such response has been objectively evaluated and recognized, as appropriate, in the letter. A response that indicates corrective action has been taken was not verified at this time.

This communication is intended solely for the information and use of the Department and its management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this communication is a matter of public record, and its distribution is not limited.

If you have any questions regarding the above information, please contact our office.

Audit Staff Working on this Examination:

Craig Kubicek, CPA, CFE – Deputy Auditor

Mason Culver – Auditor-In-Charge

Sincerely,



Craig Kubicek, CPA, CFE

Deputy Auditor

Auditor of Public Accounts

Room 2303, State Capitol

Lincoln, NE 68509

Phone (402) 471-3686

craig.kubicek@nebraska.gov

cc. Nebraska Attorney General
Nebraska State Patrol
Office of the Council for Discipline

**STATE OF NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT
CONTRACT FOR PROFESSIONAL SERVICES
CONTRACT NO. 24-01-494**

This contract is entered into between the State of Nebraska Department of Economic Development ("Department") and Global Sustainability Developers, LLC ("Contractor") upon the date of signature by both parties.

RECITALS:

A. Pursuant to LB 1412 (2024), the Department was appropriated \$2,500,000 in funding to enter into a contract with an entity to assist the state, for a period of one year ending no later than June 30, 2025, with growing the state's bioeconomy industry. The bill requires that the entity shall recommend and support strategies that secure federal grants for Nebraska and increase the state's real gross domestic product through bioeconomy development initiatives. The Department is seeking the services of a qualified entity ("Services") that are intended to comply with the requirements of the bill and, specifically, to electronically provide the results of the bioeconomy development initiative to the Legislative Council on or before June 30, 2025.

B. The Department has selected the Contractor to complete the Services.

C. The Department and the Contractor have reached an agreement, and this contract is intended to memorialize that agreement. The contractual provisions herein are intended to, and do, constitute the entire agreement between the parties.

AGREEMENT:

Premised on the Recitals above and in consideration of the mutual promises and understandings of the parties set forth below, the parties agree as follows:

PART I: TERMS AND CONDITIONS.

§1.01 Services Performed by the Contractor.

The Contractor shall recommend and support strategies that secure federal grants for Nebraska and increase the state's real gross domestic product through bioeconomy development initiatives. The Services provided shall include, but not be limited to:

- Support Nebraska Bio-economy by making connections between Bioeconomy companies within Nebraska and connecting Nebraska Bioeconomy companies to Federal grant/loan opportunities.

Original Contract for Professional Services

May 2, 2024

- Develop a 5 year "Roadmap to Nebraska Bio-Economy Success", including strategies and tactics to grow capital investment and jobs, that is approved by the Governor by August 1, 2024.
- Support Bioeconomy industry business and talent recruitment efforts.
- Coordinate the submission of at least **four (4)** Federal Grant or Loan Applications per quarter from Bioeconomy companies operating in Nebraska or other Nebraska entities (e.g. utilities, public entities, or other infrastructure providers).
- Coordinate at least **two (2)** Federal loans annually to Bioeconomy companies operating in Nebraska or other Nebraska entities (e.g. utilities, public entities, or other infrastructure providers).
- Provide monthly reports, concurrent with invoices, that detail the progress towards the stated goals of LB 1412 to assist the state with growing the state's bioeconomy industry and to recommend and support strategies that secure federal grants for Nebraska and increase the state's real gross domestic product through bioeconomy development initiatives.

The Contractor shall provide all equipment and personnel necessary for the completion of the Services and shall be responsible for all expenses including travel costs. Upon request, the Contractor must meet or correspond with the Department and/or provide progress updates.

§1.02 Payment for Services Performed; Method of Payment.

Total payments by the Department to the Contractor for the performance of the Services shall not exceed **Two Million Five Hundred Thousand Dollars (\$2,500,000)**. This amount is based upon an offer from the Contractor that was accepted by the Department.

The Contractor must submit invoices to the Department, and the invoices must include documentation that adequately substantiates the milestones and work completed. If it has not already, the Contractor must submit to the Department a State of Nebraska ACH Enrollment/W-9 Form prior to submitting a billing invoice. Upon a determination that the work was completed to the Department's satisfaction, payment shall be authorized and will be made by ACH deposit or other appropriate payment mechanism as determined by the Department based and in accordance with Nebraska's Prompt Payment Act (Neb. Rev. Stat. §§81-2401 to 81-2408).

§1.03 Contract Term.

The term of this contract will be from May 1, 2024 to June 30, 2025 or until the Services relating to this contract are complete, whichever occurs first. All the required services and activities must be completed on or before the termination date.

§1.04 Work Made for Hire.

The Contractor expressly acknowledges that the services performed herein are being specially ordered and commissioned by the Department for use in connection with its official duties and responsibilities for the State of Nebraska.

Any intellectual property created by the Contractor shall be considered "Work Made for Hire" as defined by the copyright laws of the United States. The Department shall be the sole and exclusive owner and copyright proprietor of all rights to and title in the results of the Services. If for any reason the results of the Services are determined at any time not to be "Work Made for Hire", the Contractor hereby irrevocably transfers and assigns to the Department all right, title, and interest therein, which includes all copyrights, renewals, and extensions thereto. The Contractor agrees to execute all legal documents and to perform such other proper acts as the Department may deem necessary to secure the rights assigned herein.

§1.05 Incorporation of RECITALS.

All paragraphs of the RECITALS above are hereby incorporated as agreed provisions of this contract.

PART II: [RESERVED].

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NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT
Original Contract for Professional Services
May 2, 2024

Attachment A

PART III: SERVICES & PAYMENT SCHEDULE.

PART III: SERVICES & PAYMENT SCHEDULE.

SERVICES & PAYMENT SCHEDULE		
SOURCE OF FUNDING→ LB 1412 (2024)		
Services	Payment Date	Payment Amount
Bio Economy Consulting	Upon Execution	\$208,333.37
Bio Economy Consulting	June 1, 2024	\$208,333.33
Bio Economy Consulting	July 1, 2024	\$208,333.33
Bio Economy Consulting	August 1, 2024	\$208,333.33
Bio Economy Consulting	September 1, 2024	\$208,333.33
Bio Economy Consulting	October 1, 2024	\$208,333.33
Bio Economy Consulting	November 1, 2024	\$208,333.33
Bio Economy Consulting	December 1, 2024	\$208,333.33
Bio Economy Consulting	January 1, 2025	\$208,333.33
Bio Economy Consulting	February 1, 2025	\$208,333.33
Bio Economy Consulting	March 1, 2025	\$208,333.33
Bio Economy Consulting	April 1, 2025	\$208,333.33
TOTAL	12 Months	\$2,500,000.00

PART IV: OTHER CONTRACTUAL CONDITIONS.

§4.01 Designation of Officials to Execute Contract and Amendments.

The Director of the Department or their designee is the official authorized to execute this contract and any amendments to this contract on behalf of the Department.

The Contractor's representative who is duly authorized by law to execute this contract, or their successor, is the official authorized to execute this contract and any amendments to this contract on behalf of the Contractor.

Either party may request amendments to this contract; however, amendments will not take effect until mutually agreed to, in writing, by both parties.

§4.02 Time is of the Essence.

Time is of the essence in this contract. The acceptance of late performance with or without objection or reservation by the Department shall not waive any of its rights nor constitute a waiver of the requirement of timely performance of any obligations on the part of the Contractor remaining to be performed.

§4.03 Independent Contractor.

The Contractor agrees it is, and will conduct itself as, an independent contractor in performing the services required of it for the Department under this contract. Nothing in this contract should be construed in any manner as creating or establishing the relationship of partners between the parties, and neither the Contractor nor anyone employed by the Contractor to fulfill the terms of this contract will be considered employees of the Department. Employees of the Contractor will be under the sole direction and control of the Contractor and will not be entitled to any compensation, rights, or benefits from the State of Nebraska or the Department, including but not limited to: tenure rights, medical care or insurance, sick or vacation leave, severance pay, or retirement benefits.

Any and all claims on behalf of any person arising out of employment or alleged employment (including, but not limited to, claims of discrimination) against the Contractor, its officers, or its agents will in no way be the responsibility of the Department. The Contractor must hold the Department harmless from any and all such claims.

§4.04 State of Nebraska Registration Requirements.

The Contractor must be authorized to transact business in the State of Nebraska and must comply with all Nebraska Secretary of State Registration requirements and any and all other applicable Nebraska statutes regarding transacting business in the State of Nebraska.

§4.05 Applicability to Subcontractors.

If some of the duties of the Contractor are carried out by subcontractors, the Contractor will remain solely responsible for fulfilling the terms of this contract and will be the sole point of contact by the Department regarding all contractual matters. The provisions of this contract will be made binding on any such subcontractors of the Contractor.

§4.06 Assignment or Transfer.

The Contractor may not assign or transfer any interest in this contract without the prior, written consent of the Department.

§4.07 Permits and Licenses; Insurance.

The Contractor shall procure and pay for all permits, licenses, and approvals necessary for the execution of this contract.

At its own expense, the Contractor shall purchase and maintain throughout the contract period Workers' Compensation Insurance and Comprehensive General Liability Insurance and will, upon request, furnish evidence of insurance coverage to the Department.

§4.08 Political Activity.

No portion of the funds paid or otherwise provided to the Contractor may be used for any partisan political activity, to further the election or defeat of any candidate for public office, or to influence the approval or defeat of any ballot issue.

§4.09 Conflict of Interest.

The Contractor covenants that it presently has no interest and will not acquire any interest, direct or indirect, which will conflict in any manner or degree with the performance of the services required under this contract. The Contractor further agrees that no person having any such known conflicts of interest shall be employed by it during the performance of this contract.

§4.10 Technology Access Standards.

The Contractor shall review the Nebraska Technology Access Standards found at <http://nitc.nebraska.gov/standards/2-101.html> and shall ensure that the products and/or services provided under this contract comply with the applicable standards. In the event the standards change during the contract term, the Department may create an amendment to the contract to request the Contractor comply with the changed standard at a cost mutually acceptable to the parties.

§4.11 Debarment, Suspension, or Ineligibility.

The Contractor covenants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

§4.12 Early Termination.

The Department, in its sole discretion, may terminate the contract for any reason upon thirty (30) days written notice to the Contractor.

This contract may be terminated, in whole or in part, prior to the completion of the contract term if and when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The parties must agree on the termination conditions, including the effective date of the termination, the portion (if in part) to be terminated, and any allocation of payments under the contract.

§4.13 Termination Due to Loss of Funds.

The contract may terminate, in full or in part, in the event the Department suffers a loss of the funding source which permits it to fund this contract. If it suffers such a loss of funding, the Department will give the Contractor written notice that will set forth the effective date of full or partial termination or, if a change in funding is required, setting forth the required changes.

The Contractor will be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date.

§4.14 Non-performance or Other Breach by the Contractor.

In the event of a substantial breach of the provisions of this contract, including but not limited to the non-performance of the services required of the Contractor or a failure to satisfactorily complete the services required by the established completion date, the Department will be entitled to declare such substantial breach a default and will be entitled to withhold payments to the Contractor and/or terminate the contract in whole or in part. The Department may allow the Contractor time to cure a breach of the contract; however, allowing the Contractor time to cure a breach does not waive the Department's right to terminate the contract for the same or different breach which may occur at a different time.

§4.15 Force Majeure.

Neither party shall be liable for any costs or damages resulting from its inability to perform any of its obligations under the contract due to a natural disaster or other similar event outside the control of and not attributable to the fault or negligence of the party ("Force

Original Contract for Professional Services

May 2, 2024

Majeure Event"). A Force Majeure Event shall not constitute a breach of the contract. A party so affected shall immediately give notice to the other party of the Force Majeure Event. The Department may grant relief from the performance of the contract if the Contractor is prevented from performance by a Force Majeure Event. The burden of proof for the need of such relief shall rest with the Contractor. To obtain release based on a Force Majeure Event, the Contractor must file a written request for such relief with the Department.

Labor disputes with the Contractor's own employees will not be considered a Force Majeure Event and will not suspend performance requirements under this contract.

§4.16 Waivers in Writing; Severability.

No conditions or provisions of this contract shall be waived unless approved by the Department in writing.

If any term or condition of this contract or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the other portions of this contract that can be given effect without the invalid term or condition.

§4.17 State of Nebraska Non-Liability/Hold Harmless.

The Contractor shall indemnify and hold the Department and the State of Nebraska harmless from any and all claims or demands made by any person or any loss or damage sustained by any person as a direct result of the negligent or willful acts of the Contractor, its employees, or agents in the performance of this contract. The Contractor shall have no right to indemnification or contribution from the Department or from the State of Nebraska for any judgments rendered against it.

§4.18 Notice.

Except as otherwise expressly specified herein, all notices, requests, or other communications shall be in writing and shall be deemed to have been given if delivered personally or mailed by U.S. Mail, postage prepaid and return receipt requested, to the parties at their respective addresses as may be specified in writing by either of the parties.

All notices, requests, or communications shall be deemed effective upon personal delivery or four (4) calendar days following deposit in the mail.

§4.19 Public Record Statement.

This contract, which includes the Proposal submitted by the Contractor, is a public record. Pursuant to Neb. Rev. Stat. §84-602.02, all State of Nebraska contracts in effect on or after January 1, 2014 must be posted to a public website.

§4.20 Recordkeeping; Access to Records.

All records pertinent to the work undertaken as part of this contract must be retained by the Contractor until completion of the contract and for a following period of at least five (5) years.

The Department and any other duly authorized official of the State of Nebraska must have full access to and the right to examine, audit, excerpt, or transcribe any of the Contractor's records pertaining to this contract.

§4.21 Governing Law; Attorney Fees.

This contract shall be governed by, construed according to the laws and regulations of, and subject to the jurisdiction of the State of Nebraska.

In the event of any litigation, appeal, or other legal action to enforce any provision of this contract, the Contractor agrees to pay all expenses of such action as permitted by law, including attorney's fees and costs, if the Department or the State of Nebraska is the prevailing party.

§4.22 Entire Agreement; Binding Effect; Counterparts.

This instrument and any documents incorporated herein by reference constitute the entire agreement of the parties, and any representations or promises not contained herein shall not be binding upon the parties.

This agreement shall be binding upon and inure to the benefit of the successors, assigns, and legal representatives of the parties.

This agreement or any amendment to this agreement may be signed in any number of counterparts; each of which will be considered an original, and all of which taken together will constitute one agreement or amendment, as the case may be.

PART V: SPECIAL REQUIREMENTS AND ASSURANCES.

§5.01 Drug Free Workplace Policy.

The Contractor acknowledges the Department and the State of Nebraska require a Drug Free Workplace Policy on the part of the Contractor as a term and condition of contracting with the Department. By executing this contract, Contractor warrants it requires a drug free workplace.

§5.02 Americans with Disabilities Act (ADA).

The Contractor must comply with all provisions of the Americans with Disabilities Act (ADA) with respect to hiring, training, and employment practices, including reasonable accommodation of persons with disabilities in hiring, training, and employment practices, and in assuring access by persons with disabilities to facilities and services provided by the Contractor to the general public.

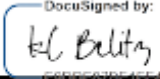
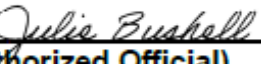
§5.03 Civil Rights and Equal Opportunity Employment/Nondiscrimination Laws.

The Contractor must comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment.

The Contractor recognizes it is bound by and covenants it will abide by the provisions of the Nebraska Fair Employment Practice Act (Neb. Rev. Stat. §48-1101 et seq.), which mandates the Contractor may not discriminate against any employee or applicant for employment with respect to the employee's or applicant's hire, tenure, terms, conditions, or privileges of employment because of the employee's or applicant's race, color, religion, sex, disability, or national origin.

ACCEPTANCE PROVISIONS.

The parties acknowledge they have read and understand this contract, they agree to its provisions, and that it will be effective on the date when both parties have signed.

NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT	CONTRACTOR → GLOBAL SUSTAINABILITY DEVELOPERS, LLC
DocuSigned by:  By: _____ (Director or Designee)	By:  _____ (Authorized Official)
KC Belitz Director	Julie Bushell
_____ (Typed or Printed Name/Title)	_____ (Typed or Printed Name/Title)
5/2/2024	May 1, 2024
_____ (Date)	_____ (Date)

NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT
Procurement Exception/Deviation Form
May 7, 2024

Attachment B

Procurement Exception/Deviation Form

Agency: 72- Economic Development

Date: May 1, 2024

Requisition Number: 24-01-494

Good or Service To Be Provided:

Bio Economy Consulting

Reason for Exception/Deviation:

- ☐ 1. Sole Source – Sole availability at location
- ☐ 2. Sole Source – Uniqueness of service
- ☐ 3. Restrictive – (Competitively bid but restricted to particular brand)
- ☒ 4. Emergency
- ☐ 5. Competitively Bid - Under 15 calendar days
- ☐ 6. Other Circumstances

Funding: (Indicate Percentage)

Federal %
State 100 %

Estimated Dollar Amount of
Contract or Purchase Order: \$ 2,500,000.00

Attachments:

- ☐ 1. Completed Justification
- ☒ 2. Copy of Contract*
- ☐ 3. Proof of Need (Contracts > \$15,000,000.00)

*Sole Source: Proposed Contract
*Emergency: Executed Contract

By signing below, the procuring agency is asserting that the information on this page and on any accompanying material, including the information provided on the justification form is complete and accurate to the best of the procuring agency's knowledge. The procuring agency is solely responsible for the information provided to the Materiel Division and understands and acknowledges that the Materiel Division will rely on this information to consider process the documentation.

EMERGENCIES: This form and the executed contract must be signed by the agency director or his or her designee.

Signature of Procuring Agency Lauber, Joseph

Digitally signed by Lauber, Joseph
Date: 2024.05.07 10:55:40 -05'00'

Title: Deputy Director

Procurement Exception/Deviation Form

May 7, 2024

1) Explain why the procurement cannot be competitively bid (N/A to Restrictive Bids).

Sole Source Service Note: The agency must describe how the contractor is clearly and justifiably the only practicable source to provide the service based on either uniqueness of the service or sole availability at the location required.

2) What other options were researched?**3) Why will other options (if any), such as those listed in 2, not meet the agency's need?****4) Can the agency expand or be flexible with its requirements to expand competition? If no, why not?****5) What are the agency's plans for the next time the agency needs to procure the goods or services?****MATERIEL DIVISION USE ONLY BELOW**
(non-emergencies)Exception Approved ☐Exception Denied ☐

Materiel Administrator Signature

Comments (if applicable):

1st Amendment to Contract

October 29, 2024

DocuSign Envelope ID: 7D67FA1F-1654-4830-9DBB-86F4EAF0AC23

**STATE OF NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT
AMENDMENT TO CONTRACT NO. 24-01-494**

This contract amendment is entered into between the State of Nebraska Department of Economic Development ("Department") and Global Sustainability Developers, LLC ("Contractor") upon the date of signature by both parties.

RECITALS:

A. The parties have previously contracted via a 11-page contract, numbered 24-01-494, which was variously dated May 1, 2024 (by Department) and May 2, 2024 (by Contractor), and which has a time of performance specified as May 1, 2024 to June 30, 2025 ("Original Contract").

B. The Original Contract allows for amendments of its terms at §4.01.

C. The parties have reached agreement to amend the Original Contract in order to address concerns of conflict of interest and indemnification.

AGREEMENT:

Premised on the Recitals above, and in consideration of the mutual promises and understandings of the parties set forth below, the parties agree as follows:

The following provisions of the Original Contract, indented below for clear identification, are amended as shown, by deleting the original language shown in strikethrough format [~~example~~], and/or inserting the new language shown in underlined format [example].

Amendments to Original Contract.**§4.09 Conflict of Interest.**

~~The Contractor covenants that it presently has no interest and will not acquire any interest, direct or indirect, which will conflict in any manner or degree with the performance of the services required under this contract. The Contractor further agrees that no person having any such known conflicts of interest shall be employed by it during the performance of this contract.~~

The Contractor covenants that it presently has no interest and will not acquire any interest direct or indirect, which will conflict in any manner or degree with the performance of the services required under this contract. The Contractor further agrees that no person having any such known conflicts of interest shall be employed by it during the performance of this contract. Provided, however, that the Contractor shall be permitted to enter into separate agreements with third

1st Amendment to Contract

October 29, 2024

DocuSign Envelope ID: 7D67FA1F-1654-4830-9DBB-86F4EAF0AC23

parties wherein the Contractor serves as a compensated service provider for the third party. The Contractor shall be permitted to provide services to third parties in exchange for compensation. If Contractor enters into such a separate agreement, Contractor shall not be deemed to be in breach of this Section 4.09 or any other provision of this contract.

§4.17 State of Nebraska Non-Liability/Hold Harmless.

~~The Contractor shall indemnify and hold the Department and the State of Nebraska harmless from any and all claims or demands made by any person or any loss or damage sustained by any person as a direct result of the negligent or willful acts of the Contractor, its employees, or agents in the performance of this contract. The Contractor shall have no right to indemnification or contribution from the Department or from the State of Nebraska for any judgments rendered against it.~~

The Contractor shall indemnify and hold the Department and the State of Nebraska harmless from any and all claims or demands made by any person or any loss or damage sustained by any person as a direct result of the negligent or willful acts of the Contractor, its employees, or agents in the performance of this contract. The Department shall hold the Contractor harmless from any and all claims or demands made by any person, including the State of Nebraska, or any loss or damage sustained by any person as a direct result of the Contractor's rights under Section 4.09 of this contract.

All other provisions of the Original Contract remain in effect.

1st Amendment to Contract

October 29, 2024

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ACCEPTANCE PROVISIONS.

The parties acknowledge they have read and understand this instrument and agree to its provisions, and that it will be effective on the date when both parties have signed.

NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT	CONTRACTOR → GLOBAL SUSTAINABILITY DEVELOPERS, LLC
<small>DocuSigned by:</small> <i>Joseph H. Lauber</i> <small>CF698F32E647439</small>	<small>Signed by:</small> <i>Julie Bushell</i> <small>2B7EB45475AC4E9</small>
By: _____ (Director or Designee)	By: _____ (Authorized Official)
Joseph H. Lauber Deputy Director	Julie Bushell
(Typed or Printed Name/Title)	(Typed or Printed Name/Title)
10/29/2024	10/29/2024
(Date)	(Date)

STATE OF NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT
2nd AMENDMENT TO CONTRACT NO. 24-01-494

This contract 2nd amendment is entered into between the State of Nebraska Department of Economic Development ("Department") and Global Sustainability Developers, LLC ("Contractor") upon the date of signature by both parties.

RECITALS:

A. The parties have previously contracted via an 11-page contract, numbered 24-01-494, which was variously dated May 1, 2024 (by Department) and May 2, 2024 (by Contractor), and which has a time of performance specified as May 1, 2024 to June 30, 2025 ("Original Contract").

B. The Original Contract allows for amendments of its terms at §4.01.

C. The parties have previously amended the Original Contract via a 3-page amendment, dated October 29, 2024, (by Department), and October 29, 2024, (by Contractor).

D. The parties have reached agreement to amend the Original Contract in order to amend the amount involved from \$2,500,000.00 to \$2,083,333.34 (with a final payment of \$208,333.33 which has not been made to Contractor as of the date of signature by both parties and which shall be due to Contractor by February 28, 2025) and amend the termination date from June 30, 2025 to February 28, 2025.

AGREEMENT:

Premised on the Recitals above, and in consideration of the mutual promises and understandings of the parties set forth below, the parties agree as follows:

The following provisions of the Original Contract, indented below for clear identification, are amended as shown, by:

- deleting the original language shown in strikethrough format for those changes associated with the 1st Amendment already accomplished [example],
- deleting the original language shown in double-strikethrough format for those changes associated with the instant 2nd Amendment [example],
- inserting the new language shown in underlined format for those changes associated with the 1st Amendment already accomplished [example],
- inserting the new language shown in double-underlined format for those changes associated with the instant 2nd Amendment [example].

Amendments to Original Contract.

§1.02 Payment for Services Performed; Method of Payment.

Total payments by the Department to the Contractor for the performance of the Services shall not exceed Two Million Eighty-Three Thousand Three Hundred Thirty-Three and 34/100 Dollars (\$2,083,333.34) ~~Two Million Five Hundred Thousand Dollars (\$2,500,000)~~. This amount is based upon an offer from the Contractor that was accepted by the Department.

PART III: SERVICES & PAYMENT SCHEDULE.

SERVICES & PAYMENT SCHEDULE		
SOURCE OF FUNDING→ LB 1412 (2024)		
Services	Payment Date	Payment Amount
Bio Economy Consulting	Upon Execution	\$208,333.37
Bio Economy Consulting	June 1, 2024	\$208,333.33
Bio Economy Consulting	July 1, 2024	\$208,333.33
Bio Economy Consulting	August 1, 2024	\$208,333.33
Bio Economy Consulting	September 1, 2024	\$208,333.33
Bio Economy Consulting	October 1, 2024	\$208,333.33
Bio Economy Consulting	November 1, 2024	\$208,333.33
Bio Economy Consulting	December 1, 2024	\$208,333.33
Bio Economy Consulting	January 1, 2025	\$208,333.33
Bio Economy Consulting	February 1, 2025	\$208,333.33

2nd Amendment to Contract



February 28, 2025

Bio-Economy Consulting	March 1, 2025	\$208,333.33
Bio-Economy Consulting	April 1, 2025	\$208,333.33
TOTAL	42 Months 10 Months	\$2,500,000.00 <u>\$2,083,333.34</u>

All other provisions of the Original Contract, including changes in the Original Contract made in the 1st Amendment which are not changed by this 2nd Amendment, remain in effect.

ACCEPTANCE PROVISIONS.

The parties acknowledge they have read and understand this instrument and agree to its provisions, and that it will be effective on the date when both parties have signed.

NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT  Signed by: _____ By: _____ (Director or Designee) K.C. Belitz Director _____ (Typed or Printed Name/Title) 2/25/2025 _____ (Date)	CONTRACTOR → GLOBAL SUSTAINABILITY DEVELOPERS, LLC  Signed by: _____ By: _____ (Authorized Official) Julie Bushell President _____ (Typed or Printed Name/Title) 2/28/2025 _____ (Date)
---	--