

Subject Hennepin County contracting and construction manager at risk procedures

Authors Nelson, M. and others

Analyst Chelsea Griffin

Date February 23, 2023

Overview

This bill would create provisions in the Hennepin County chapter of the Minnesota Statutes relating to contract negotiations and the soliciting, selection, and negotiation of a contract manager at risk for certain projects. It also repeals provisions under the Hennepin County contract for purchases statute that allow the county board to enter into certain agreements for up to seven years.

Summary

Section	Description
---------	-------------

- | | |
|---|--|
| 1 | <p>Solicitations to small business enterprises or veteran-owned small businesses.</p> <p>Adds a provision to the Hennepin County competitive bidding statute that allows a contract of \$500,000 or less to be made through sealed bids or by direct negotiation and without advertising for bids provided that a business that is directly solicited is certified as either a small business enterprise or a small business that is majority-owned and operated by a veteran or a service-disabled veteran. This provision is notwithstanding the uniform municipal contracting law threshold, which states that sealed bids and direct negotiation may occur on contracts exceeding \$25,000 but not \$175,000.</p> |
| 2 | <p>[383B.1587] Construction manager at risk.</p> <p>Creates a new section 383B.1587 in the Hennepin County chapter of the Minnesota Statutes that creates procedures for soliciting, selecting, and negotiating for a contract manager at risk.</p> <p>Subd. 1. Definitions. Defines terms for the purposes of the section.</p> <p>Subd. 2. Authority. Authorizes Hennepin County to use a construction manager at risk method of project delivery and award a construction manager at risk contract based on the criteria in this section.</p> |

Section	Description
---------	-------------

Subd. 3. Solicitation of qualifications. Requires a request for qualification to be prepared for each construction manager at risk contract and specifies what the request must contain. The request for qualifications must not impose unnecessary conditions and the criteria must not consider the collective bargaining status of the construction manager at risk. The request for qualifications may require that the proposer include the cost for the proposer's services. The county would designate the advertising of the notice of requests for qualifications.

Subd. 4. Construction manager at risk selection process. Specifies the process for selecting a construction manager at risk. Requires a selection committee to be created when the county decides to use a construction manager at risk for a project. The selection committee must evaluate proposers. If fewer than three proposals are received from construction managers, the county may opt to solicit new proposals, select another procurement method, or reject all proposals, among other options. When the selection committee proceeds with reviewing proposals, it must create a short list of two to five proposers and must issue a request for proposals requiring cost and other information from the short-listed proposers. The selection committee must rank the proposers by applying a scoring or trade-off evaluation method, which must be described in the request for proposals.

Subd. 5. Construction manager at risk contract. Requires the county to conduct contract negotiations with the highest ranked proposer. If an agreement cannot be reached, the county may negotiate with the next highest ranked proposer. The construction manager at risk must competitively bid all trade contract work for the project from a list of qualified firms, which may be limited to qualified Small Business Enterprise and/or Disadvantaged Business Enterprise firms. The list of qualified firms would be jointly determined by the construction manager at risk and the county. The construction manager at risk may submit bids for trade contract work if the construction manager at risk does not participate in the county's review of the bids or selection decision and has the county's approval to do so. Requires the construction manager at risk and the county to enter into a guaranteed maximum price contract for the project.

3 **Repealer.**

Repeals provisions under the contract for purchases section of the Hennepin County chapter of the Minnesota Statutes that allow the county board to enter into certain agreements for up to seven years.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155