

House Research Act Summary

CHAPTER: 253

SESSION: 2014 Regular Session

TOPIC: Responsible Contractor for Public Construction Contracts

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Overview

Establishes minimum criteria that a contractor must meet to be awarded a construction contract over \$50,000 by a public entity.

Section

1 Responsible Contractor Requirement Defined.

Subd. 1. Definitions. Defines terms used in this section. Under the definitions, this section would apply to construction contracts entered into by the state, MnSCU, the University of Minnesota, the Metropolitan Council, the Metropolitan Airports Commission, or municipalities.

Subd. 2. Responsible contractor required. Provides that a contractor or vendor must meet minimum criteria in subdivision 3 to be eligible to be awarded a construction contract over \$50,000 if the contract is awarded pursuant to a lowest responsible bidder or best value selection method.

Subd. 3. Minimum criteria. Requires a contractor to verify that it meets the following criteria when the contractor responds to a solicitation document:

(1) compliance with workers compensation and unemployment compensation requirements, registration with Department of Revenue and DEED, and has a valid federal tax identification number (or Social Security number, if an individual);

(2) compliance with 177.24 (minimum wages); 177.25 (overtime); 177.41 to .44 (prevailing wages); 181.13 and .14 (timely payment of wages to employees); 181.722 (misrepresentation of employment relationship); 29 U.S.C. 201 to 219 (Fair Labor Standards Act); 40 U.S.C. 3141 to 3148 (federal prevailing wage); and specifies when

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a violation occurs;

(3) compliance with (and no violations in past three years) of 181.723 (independent contractors); and chapter 326B (construction codes and licensing);

(4) not had an affirmative action certificate of compliance under section 363A.36 revoked or suspended more than twice in past three years;

(5) not had more than one final determination in past three years assessing a monetary sanction from the Department of Administration or Transportation for failure to meet targeted group business, disadvantaged business enterprise, or veteran-owned business goals;

(6) not currently suspended or debarred by the federal government, the state, or a municipality;

(7) subcontractors or vendors the contractor intends to use have verified that they meet criteria in clauses (1) to (6).

Provides that violations, suspensions, revocations or sanctions in clauses (2) to (5) occurring before July 1, 2014 are not considered.

Subd. 4. Verification of compliance. Requires a contractor to submit a signed statement under oath by an owner or officer verifying compliance with subdivision 3 criteria. Specifies consequences for noncompliance and false statements.

Subd. 5. Subcontractor verifications. Requires verification under subdivision 4 to include a list of first tier subcontractors to be used on the project. Specifies a process for obtaining verifications of compliance from additional subcontractors. Specifies limits on responsibility for false statements made by subcontractors.

Subd. 6. Additional criteria. Provides that a contracting authority may establish additional criteria.

Subd. 7. Implementation. Requires the definitions and requirements specified in this act to be included in solicitation documents for covered construction projects. Requires solicitation documents to state the consequences of submitting false statements.

This section is effective January 1, 2015 and applies to construction contracts entered into on and after that date.