HOUSE RESEARCH =

Bill Summary =

FILE NUMBER: H.F. 3099 DATE: April 1, 2010

Version: First committee engrossment

Authors: Champion and others

Subject: Disadvantaged business enterprise program

Analyst: Matt Burress, 651-296-5045

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This bill establishes bidding, contracting, reporting, and training requirements related to the disadvantaged business enterprise (DBE) program, and creates provisions related to the DBE collaborative.

Section

- 1 [161.363] Disadvantaged business enterprise program. Establishes requirements on bidding and efforts to meet disadvantaged business enterprise (DBE) participation goals for highway contracts under which federal aid is used.
 - **Subd. 1. Definitions.** Defines terms for the section and other sections newly codified in the bill.
 - **Subd. 2. Bid solicitation.** Amends the solicitation and award process for MnDOT contracts that include federal aid, to:
 - specify DBE-related notices to be included in the bid solicitation; and
 - require that bidders must provide various information concerning their steps and activities to recruit disadvantaged business enterprises and demonstrate "good faith efforts."
 - **Subd. 3. Award of contract.** Mandates that MnDOT reject bids that do not either meet the DBE goal for the contract or demonstrate adequate good-faith efforts.
 - **Subd. 4. Contract requirements.** Requires inclusion of a DBE participation goal in each federally assisted contract.
 - **Subd. 5. Disadvantaged business enterprise capacity account; appropriation.** Creates an account for funding MnDOT DBE capacity building efforts, including business development training, assisting new DBEs, and assisting DBEs in becoming

prime contractors.

- Disadvantaged business enterprise program; report. Amends a sanctions provision for contractors who fail to meet DBE goals or demonstrate good-faith efforts, to: clarify its application to contracts that include federal funding; require monitoring of contracts in order to minimize the need for sanctions; and deposit any funds collected from sanctions into the new DBE capacity building account. Eliminates a report on disadvantaged business enterprises, which is recreated in a similar form in a separate section of the bill.
- 3 **[174.188] Disadvantaged business enterprise program.** Establishes training and reporting requirements for MnDOT related to the DBE program.
 - **Subd. 1. Training.** Requires MnDOT to hold training workshops for DBE companies on how to estimate and submit bids to MnDOT, and prevents MnDOT from charging a fee.
 - **Subd. 2. Legislative report.** Recreates a provision from another section of law requiring a legislative report on the DBE program. Modifies reporting requirements, including:
 - Making the report annual instead of biennial;
 - Adding information on agency monitoring of contracts;
 - Adding additional information on the rate of DBE goal attainment across contracts; and
 - Requiring additional information on sanctions.
- **Disadvantaged business enterprise collaborative.** Establishes provisions related to the DBE collaborative originally established by MnDOT in 2008.
 - **Subd. 1. Definitions.** Defines terms.
 - **Subd. 2. Purpose.** Establishes that the goal of the collaborative is to review and evaluative MnDOT's DBE program, and to recommend programmatic as well as legislative changes for its improvement.
 - **Subd. 3. Executive committee; membership.** Creates an executive committee of the collaborative, specifies the membership framework, and specifies the method for the collaborative to select representatives to serve on the executive committee. Sets dates for selection and initial meeting of the executive committee.
 - **Subd. 4. Executive committee; duties.** Specifies responsibilities of the executive committee, which include adopting formal recommendations representing the decisions of the collaborative, and designing collaborative policies and procedures.
 - **Subd. 5. Administrative provisions.** Outlines various administrative details for the collaborative, including establishing that MnDOT staff serve as non-voting members.
 - **Subd. 6. Expiration.** Has the collaborative expire December 31, 2012.

- **Subd. 7. Recommendations; legislative report.** Requires the executive committee to submit formally adopted recommendations to MnDOT regarding implementation of the DBE program, and requires a legislative report on the findings and recommendations of the collaborative. Identifies possible areas of focus for the collaborative.
- Waiver of disadvantaged business enterprise provisions. Tasks MnDOT with requesting a waiver from the U.S. Department of Transportation to allow use of group-specific goals within DBE goal setting, if this is requested by the executive committee of the collaborative.
- **Revisor's instruction.** Directs the Revisor of Statutes to recodify a provision on DBE contract sanctions (in order to fit in the structure of new statutes created by the bill).