

HOUSE RESEARCH

Bill Summary

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Overview

Establishes criteria under which a school district may enter into or renew a service contract.

Section

1 Best value for service contracts.

Subd. 1. Definitions. (a) Defines specific terms for purposes of this section.

(b) Defines “employees” to mean public school district employees subject to PELRA.

(c) Defines “school district services” to mean various employee-performed services such as transportation, nutrition, custodial, and clerical services but not services performed under a temporary or nonrecurring contract or previously performed by supervisory, professional, or confidential employees, and not contracts under \$25,000.

(d) Defines “service contract” to mean contractor agreements to provide services that district employees can provide.

Subd. 2. Initial best value determination. (a) Lists short and long-term cost criteria to consider when determining a “best value” contract, including the bid price, transition costs, anticipated staff turnover costs, training and administrative costs, and enforcement costs.

(b) Lists required contract terms including a minimum wage clause and clauses to accommodate health benefit and retirement costs.

Section

(c) Allows school districts to enter into a two-year school services contract only if the criteria under paragraph (a) lead to savings of five percent or more.

(d) As a precondition of contracting, requires a school board to publicly review the estimated costs under paragraph (a) and, where applicable, compare other school districts' experiences with the contractor.

Subd. 3. Renewal best value determination. (a) Lists criteria to consider when renewing a services contract including specific short and long-term costs and measures of service quality.

(b) Establishes criteria a school district must consider before renewing a service contract including whether the actual contract cost exceeded the estimated contract cost, whether the quality of service was affected, and how wage and benefit costs compare.

(c) Requires a school board to publicly review the service contract costs under paragraph (a) before renewing a service contract.

(d) Requires a school district prohibited from renewing a service contract under paragraph (b) to transfer the duties under the expiring service contract to district employees for at least four years if the cost of transferring these duties to the employees does not exceed 110 percent of the expiring contract. Where the cost is greater than 110 percent, allows the school district to rebid the service contract.

Subd. 4. Exemptions. Excludes services performed under a temporary or nonrecurring contract or previously performed by supervisory, professional, or confidential employees, and contracts under \$25,000 from the effect of this section.

Subd. 5. Severability. Allows any unconstitutional provision to be severed from this section without affecting the remaining provisions.

Makes this section effective July 1, 2014.