

HOUSE RESEARCH

Bill Summary

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Overview

Make changes in laws governing the Department of Administration.

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Article 1

Changes to Chapter 16B

- 1 **Utility services.** Strikes reference to telegraph service in a law dealing with provision of utility services to state agencies.
- 2 **Powers and duties.** Strikes references to the commissioner of administration operating: central stores or supply rooms; duplicating and printing; and a state recycling center. Authorizes the commissioner to accept and sell surplus property. This authority over surplus property is moved from its current location in chapter 16C.
- 3 **Mission; efficiency.** Strikes certain language from a law governing the mission of the department.
- 4 **Purpose of funds.** Strikes references to operation of central stores and equipment services and to operation of a records center and micrographics services.
- 5 **Revisor instruction.** Instructs the Revisor to renumber specified statutory sections that currently appear in Minnesota Statutes, Chapter 16B, so that this language will instead appear in chapter 16C, which governs procurement. The language of these sections will not

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change—the language will just appear in a different chapter of Minnesota Statutes. Sections affected deal with the following topics: purchase of recycled materials; paper stock; scrap metal recycling facilities; energy efficient bulbs; purchases from correctional industries; attorney general comments on intellectual property contracts.

6 Repealer. Repeals the following sections:

- 16B.01, subd. 4 and 5: Definition of “state contract” and “supplies, material, and equipment”
- 16B.24, subd. 7: Commissioner to inspect power, heating and lighting plants
- 16B.295: Notice of documents to libraries
- 16B.47: Micrographics services
- 16B.93, 16B.94, 16B.95, 16B.96: Nongovernmental pharmaceutical contracting alliance

Article 2

Changes to Chapter 16C

1 Definitions (16C.02). Strikes language from the definition of best value. Language on this issue is dealt with in sections 16C.06 and 16C.28 (as amended by this bill). Adds new definitions of “competitive proposal”, “construction”, “emergency”, “general services”. Strikes definitions of “accessibility”, “service contract” and “strategic sourcing”.

2 Commissioner’s authority (16C.03). Amends laws governing the Commissioner of Administration’s authority over procurement. Some of these changes are:

- Reproduces language concerning Minnesota Rules that currently exists in section 16C.24 (repealed later in this article).
- Strikes language relating to acquisition by bids, requests for proposals and reverse auctions, based on best value. Under this bill, these topics are now dealt with in section 16C.06, subdivision 6.
- Moves from subdivision 4 to subdivision 3 language stating that the commissioner shall conduct all contracting by, for, and between state agencies, except functions delegated to other agencies or the attorney general.
- References “best value” under section 16C.28 with respect to construction contracts.
- Strikes language authorizing the commissioner to enter into contracts under which vendors agree to sell computer equipment to state employees for personal use.
- Strikes language dealing with cooperative purchasing. This topic is dealt with in

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proposed new section 16C.105 of this bill.

- Strikes references to surplus property (language moved to chapter 16B in article 1 of this bill), central distribution, and central stores.
- Strikes language dealing with delegation of duties. This concept is dealt with in new language in this bill added to section 16C.05.
- Strikes language dealing with contract term. This concept is dealt with in new language in this bill in section 16C.06, subd. 3b.
- Strikes language requiring training in best value contracting. This concept is dealt with in new language in this bill in section 16C.28.

3 Conflict of interest policy development (16C.04, subd. 2). Provides that the commissioner's conflict of interest policies apply to construction contracting as well as other types of contracts.

4 Contract management validity and review (16C.05). Adds language dealing with delegation of contracting authority to agencies. This topic is dealt with in current section 16C.03, subdivision 16. Strikes language dealing with contract terms (this topic is dealt with in new language in section 16C.06, subdivision 3b of this bill). Strikes language dealing with certain DEED contracts, because this topic is dealt with in new language in section 16C.10, subdivision 5, of this bill.

5 Restriction (16C.055, subd. 2). Strikes obsolete date reference.

6 Procurement requirements (16C.06). Adds language dealing with the term of a contract primarily by moving language from other existing sections of law. Strikes language referring to a state agency responding to a solicitation for a contract. Adds language dealing with methods of making contract awards, primarily by moving language from other existing sections of law. Some of the concepts included in the parts of the definition of best value that are stricken by this bill are included in subdivision 6 of this section.

7 Professional or technical services (16C.08). Strikes certain information that a state agency must provide to the commissioner of administration before entering into a contract for professional or technical services. Under subdivision 3 of this section, much of this information must be provided for contracts in excess of \$25,000. Provides that remaining requirements apply to all professional or technical service contracts (eliminating the \$5,000 threshold in current law). Moves other language among subdivisions within this section.

8 General service contracts (16C.09). Uses the newly-defined term "general service" contract to refer to a contract that is not for professional or technical services and is not a construction contract. Strikes language relating to contract length, because this language is moved to section 16C.06.

9 Exceptions authorized (16C.10). Strikes a definition of emergency because this definition is moved to section 16C.02. Adds language relating to certain DEED contracts. Similar

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language currently is in section 16C.05.

- 10 Cooperatives authorized (16C.105).** Adds language dealing with cooperative purchasing. Similar language is in current section 16C.03.
- 11 Independent report (16C.144, subd. 5).** Strikes language referring to a 2007 report.
- 12 Building and construction contracts.** Updates a statutory cross-reference.
- 13 Publication of notice (16C.26, subd. 3).** Refers to solicitations and responses rather than to bids.
- 14 Contracts; award (16C.28).** Defines “best value” for purposes of construction contracts by placing this language in section 16C.28, instead of referring to definition language (stricken in this bill) in section 16C.02. Strikes transitional language. Strikes language in subdivisions 4 and 5 that appears to duplicate existing statutory language.
- 15 Revisor instruction.** Instructs the Revisor to renumber specified statutes. The language of these statutes would not change—the language would just appear in different parts of chapter 16C, or in some cases, chapter 16B:
- 16C.03, subd. 1: scope of commissioner’s authority
 - 16C.081: federal contracts
 - 16C.082: contracts for tax-related activities
 - 16C.095: qualification-based selection for design-related contracts
 - 16C.23: surplus property (moved to chapter 16B)
 - 16C.231: surplus property (moved to chapter 16B)
 - 16C.26, subd. 6: noncompetitive bids; small targeted group businesses
- 16 Repealer.** Repeals the following sections:
- 16C.03, subd. 19: training in best value procurement
 - 16C.085: service contracts for printing
 - 16C.16, subd. 9: determination of ability of targeted group business to perform contract
 - 16C.22: length of district heating contracts
 - 16C.24: continuity of rules
 - 16C.27: Bids not required

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- 16C.32, subd. 3: 2010 report to legislature on design-build

Article 3

Conforming Amendments

Makes changes in statutory references based to conform with other changes proposed in this bill.