House Research

- Bill Summary :

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Subject: Municipal contracting, multiyear water tank service contracts

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Amends the Uniform Municipal Contracting Law provision relating to multiyear water tank service contracts. Requires a municipality to solicit sealed bids or use the best value alternative procurement method, as required for other types of contracts estimated to cost more than \$100,000, if the contract is for "supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property" and the estimated cost is more than \$100,000. Contracts for professional services and contracts under that amount may use direct negotiation or solicit requests for proposals as under current law. This law was originally enacted in 2002.

Effective for contracts entered into on or after September 1, 2018.

The bill references the following statutes:

Minn. Stat. § 471.345, subds. 3 and 3a.

Subd. 3. Contracts over \$100,000. If the amount of the contract is estimated to exceed \$100,000, sealed bids shall be solicited by public notice in the manner and subject to the requirements of the law governing contracts by the particular municipality or class thereof. With regard to repairs and maintenance of ditches, the provisions of section 103E.705, subdivisions 5, 6, and 7, apply.

Subd. 3a. Contracts over \$100,000; best value alternative. As an alternative to the procurement method described in subdivision 3, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Minn. Stat. § 16C.28, subd. 1, para. (a), clause (2) and para. (c):

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"(a) All state building and construction contracts entered into by or under the supervision of the commissioner or an agency for which competitive bids or proposals are required may be awarded to

either of the following:

(2) the vendor or contractor offering the best value, taking into account the specifications of the request for proposals, the price and performance criteria as set forth in subdivision 1b, and described in the solicitation document. ...

(c) When using the procurement process described in subdivision 1, paragraph (a), clause (2), the solicitation document must state the relative weight of price and other selection criteria. The award must be made to the vendor or contractor offering the best value applying the weighted selection criteria. If an interview of the vendor's or contractor's personnel is one of the selection criteria, the relative weight of the interview shall be stated in the solicitation document and applied accordingly."