

1 **A bill for an act**

2 relating to local government; making changes to the Uniform  
3 Municipal Contracting Law; allowing municipalities to use  
4 requests for proposals ; requiring municipalities to make a best  
5 value determination for all purchases; clarifying single source  
6 purchasing; amending Minnesota Statutes 2004, section 471.345,  
7 subdivisions 3, 4, and adding subdivisions; 471.36.  
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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

11 Sec. 1 Minnesota Statutes 2004, section 471.345, is amended by adding a subdivision to  
12 read:

13 Subd. 2a. [PROPOSAL DEFINED.] "Proposal" means the response to the request for  
14 proposal or RFP.

15 Sec. 2. Minnesota Statutes 2004, section 471.345, is amended by adding a subdivision to  
16 read:

17 Subd. 2b. [REQUEST FOR PROPOSAL DEFINED.] "Request for proposal" or "RFP"  
18 means a solicitation in which it is not advantageous to set forth all the actual, detailed  
19 requirements at the time of solicitation and responses are subject to negotiation.

20 Sec. 3. Minnesota Statutes 2004, section 471.345, is amended by adding a subdivision to  
21 read:

22 Subd. 2c. [BEST VALUE.] The determination of the acquisition method and all  
23 decisions involved in the acquisition process, unless otherwise provided for by law, must be  
24 based on best value that includes an evaluation of price and may include other considerations  
25 including, but not limited to, environmental considerations, quality, and vendor performance. If  
26 a best value method is used, the best value determination must be based on the evaluation criteria  
27 detailed in the solicitation document. If criteria in addition to price are used, the solicitation  
28 document must state the relative importance of price and other factors. Unless it is determined  
29 by the governing body that an alternative solicitation method provided by law should be used to  
30 determine best value, a request for bid must be used to solicit formal responses for all building  
31 and construction contracts. Any or all responses may be rejected. When using the request for  
32 bid process, the bid must be awarded to the lowest responsive and responsible bidder, taking into

1 consideration conformity with the specifications, terms of delivery, the purpose for which the  
2 contract or purchase is intended, the status and capability of the vendor, and other considerations  
3 imposed in the request for bids. The governing body may decide which is the lowest responsible  
4 bidder for all purchases and may use the principles of life cycle costing, where appropriate, in  
5 determining the lowest overall bid.

6 Sec. 4. Minnesota Statutes 2004, section 471.345, subdivision 3, is amended to read:

7 Subd. 3. Contracts over \$50,000. If the amount of the contract is estimated to exceed  
8 \$50,000, sealed bids or proposals shall be solicited by public notice in the manner and subject to  
9 the requirements of the law governing contracts by the particular municipality or class thereof  
10 provided that with regard to repairs and maintenance of ditches, bids shall not be required if the  
11 estimated amount of the contract does not exceed the amount specified in section 103E.705,  
12 subdivisions 5, 6, and 7.

13 Sec. 5. Minnesota Statutes 2004, section 471.345, subdivision 4, is amended to read:

14 Subd. 4. Contracts from \$10,000 to \$50,000. If the amount of the contract is estimated to  
15 exceed \$10,000 but not to exceed \$50,000, the contract may be made either upon sealed bids  
16 proposals, or by direct negotiation, by obtaining two or more quotations for the purchase or sale  
17 when possible, and without advertising for bids or proposals or otherwise complying with the  
18 requirements of competitive bidding. All quotations obtained shall be kept on file for a period of  
19 at least one year after receipt thereof.

20 Sec. 6. Minnesota Statutes 2004, section 471.36, is amended to read:

21 471.36 NONCOMPETITIVE SUPPLIES AND EQUIPMENT.

22 The provisions of sections 471.35 to 471.37 shall not apply ~~to noncompetitive types and kinds of~~  
23 ~~supplies and equipment~~ where, after a search, the product is clearly and legitimately determined  
24 to be available from a single source and the price has been fairly and reasonably established.