

**Minutes
of the
April 22, 2005
Legislative Review Committee meeting**

Attendees:

Gary Warnberg, City of Minneapolis
Jill Alverson, Hennepin County
Greg Mead, Minneapolis School District
Jay McCleary, City of Red Wing
Don Olson, MAC
Dick Florey, St. Louis County

Committee focused on only those areas agreed upon at the March meeting.
(AMC and League of Cities will have any text we suggest reviewed and maybe
rewritten by the Reviser of Statutes or House Research)

1A. High Priority:

- adding text to allow for the use of an RFP:
Committee agreed we would add text to 471.345

Suggested text:

Add to 471.345 the definition of a Request for Proposal: (text would be same as
found in State p16c.06 subd 12):

***“Request for Proposal or RFP means a solicitation is which it is not
advantageous to set forth all the actual, detailed requirements at the time of
solicitation and responses are subject to negotiation.”***

Subd 3 Contracts over \$50,000

“If the amount of the contract is estimated to exceed \$50,000, sealed bids or ***request for proposal*** shall be solicited by public notice in the manner and subject to all the requirements of the law governing contracts by the particular municipality or class thereof provided that with regard to repairs and maintenance of ditches, bids shall not be required if the estimated amount of the contact does not exceed the amount specified in section 103E.705, subdivision 5,6,and 7.”

Subd 4. Contracts from \$10,000 to \$50,000

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

1B, C. High Priority

- Consolidation and elimination of duplication of statutes relating to purchasing by a municipalities all under 471.345

After discussion it was decided we needed help from AMC and League of Cities to take the lead on this. Is it better to reference laws and if so which ones would need to be identified. There may be more than what is on the NIGP site.

1D. High Priority:

- Best Value

Committee decided it best to use the text from 16c.03 subd 3, and add the text to 473.345 subd 2, which defines a contract.

Text would read:

Subd 2. Contract defined. A “contract” means an agreement entered into by a municipality for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property. ***The determination of the acquisition method and all decisions involved the acquisition process, unless otherwise provided for by law, shall be based upon best value which includes an evaluation of prices and may include other considerations including, but not limited to, environmental considerations, quality, and vendor performance. A best value determination must be based on the evaluation criteria detailed in the solicitation document, If criteria other than price are used, the solicitation document must state the relative importance of prices and other factors.***

2. Lower priority: Use of Federal Contracts (GSA)

Committee decided not to pursue this until GSA has determined that states can acquire more than only IT items (schedule 71) and 1122 program.

We need GSA to clarify whether or not they need or want cooperative purchasing agreements. We did not want to jeopardize our high priority items by opening up discussion on this point. Local business may respond negatively to this. We do not want to jeopardize our high priority items for 2006. It may be better to pursue this in subsequent years.

3. Lower priority: Multiple awards:

Committee decided to wait on this one and give emphasis to our high priority items.

4. Electronic bidding.

St. Louis County is doing this with a third party: Demand Star and School District of Mpls. is doing it through a third party.

With the statutes we have today we agreed the need to add or change any statute was unnecessary.

5. Lower priority: 471.35 and 471.36 .35 seems to say that specifications shall not be prepared to exclude all but one type or kind

.36 seems to say this last statement shall not apply to non-competitive types and kinds of supplies and equipment.

What the committee is going to recommend is that we add a definition of sole source under 341.345 such as used in the Hennepin County statute 383B.145 Subd 3
“Bidding not required. When by reason of copyright, patent or exclusive franchise, purchases can be made only at a standard, fixed or uniform price and no advantage can be secured by advertisement and competitive bidding because of the non competitive nature of the item to be purchased, section 471.345 shall not apply”.

Meeting adjourned approx. 3:00 p.m. It was thought the committee would not meet again until next fall, tentatively set for Sept. 16, 2005 1:30. In between now and then we all need to review the text with internal staff including our legal departments. At the next meeting we can discuss those comments and revise our text if necessary. The plan would then be to meet with the State of Minnesota Department of Administration by the end of Sept. Once that is done we can either meet again or hand it off to AMC and League of Cities.

Our committee is on the agenda for the fall NIGP conference. Who would be willing to participate on a panel much as we did a few months ago at the general chapter meeting?

My thanks to all of you.