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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 1975

- 03/02/2017 Authored by Vogel, Masin, Halverson, Pugh and West
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy
- 03/01/2018 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
- 03/19/2018 Calendar for the Day
Read for the Third Time
Passed by the House and transmitted to the Senate

1.1 A bill for an act

1.2 relating to municipal contracting; narrowing a bidding exception for certain water

1.3 tank service contracts; amending Minnesota Statutes 2016, section 471.345,

1.4 subdivision 5b.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2016, section 471.345, subdivision 5b, is amended to read:

1.7 Subd. 5b. **Water tank service contracts.** (a) A municipality may, by direct negotiation

1.8 or through the solicitation of requests for proposals, enter into a multiyear professional

1.9 service contract for the engineering, repair, and maintenance of a water storage tank and

1.10 appurtenant facilities owned, controlled, or operated by the municipality, if the contract

1.11 contains:

1.12 (1) a provision that the municipality is not required to make total payments in a single

1.13 year that exceed the water utility charges received by the municipality for that year;

1.14 (2) a provision requiring that the work performed be done under the review of a

1.15 professional engineer licensed in the state of Minnesota attesting that the work will be

1.16 performed in compliance with all applicable codes and engineering standards; and

1.17 (3) a provision that if, at the commencement of the contract, the water tank or appurtenant

1.18 facilities require engineering, repair, or service in order to bring the water tank or facilities

1.19 into compliance with federal, state, or local requirements, the party contracting with the

1.20 municipality is responsible for providing the engineering, repair, or service. The costs to

1.21 bring the water tank or facilities into compliance must be itemized separately and charged

1.22 to the municipality in payments spread over a period of not less than three years from the

1.23 commencement of the contract.

2.1 (b) If the cost of a contract for the sale or purchase of supplies, materials, equipment or
2.2 the rental thereof, or the construction, alteration, repair, or maintenance of real or personal
2.3 property entered into under this subdivision is estimated to exceed \$100,000, paragraph (a)
2.4 applies but the municipality must use the procurement methods specified in subdivision 3
2.5 or 3a to contract for that portion of the work.

2.6 **EFFECTIVE DATE.** This section is effective September 1, 2018, and applies to
2.7 contracts entered into on or after that date.