

Subject Public procurement disputes

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## Overview

This bill gives state district courts original jurisdiction in actions involving public procurement whether or not the public body has arguably acted in a judicial or quasi-judicial capacity. In 2015, the Minnesota Supreme Court considered a claim by an unsuccessful bidder to provide transit service in Rochester. Among the claims considered was the characterization of the city's denial of the bid-protest as biased and a quasi-judicial decision. The court stated that review of a quasi-judicial decision is only by a writ of certiorari in the court of appeals and the district court lacked jurisdiction to consider it. *Rochester City Lines, Co. v. City of Rochester*, 868 N.W.2d 655, 662-663 (Minn. 2015).

In general, a "quasi-judicial" decision is an act of a unit of government to decide a dispute over the rights of a narrow group of individuals. These types of decisions typically involve an investigation of the disputed claim and the weighing of evidentiary facts; the application of those facts to a prescribed standard; and a binding decision of the unit of government that resolves the dispute. In the case of the Rochester transit service, it was alleged that the city's action to reject a transit service provider's bid-protest constituted a quasi-judicial decision.

The bill also specifies that it does not change any standard of review or remedies, and it specifies filing requirements.

Finally, the bill provides that the prohibition on awarding attorney fees in the Uniform Municipal Contracting Law (UMCL) applies to all actions arising out of procurement, even if not a "contract" under the UMCL.

## Summary

| Section | Description   |
|---------|---|
| 1       | <b>Original jurisdiction of public procurement actions.</b><br><b>Subd. 1. Original jurisdiction granted.</b> Gives state district courts original jurisdiction over actions involving public procurement whether or not the public body has arguably acted in a judicial or quasi-judicial capacity. States that |

| Section | Description  |
|---------|--|
| 2       | <p>granting original jurisdiction to the district court does not alter any standard of review or remedy.</p> <p><b>Subd. 2. Filing requirements.</b> Requires filing the action before the procurement contract is executed unless the action is alleging fraud or misrepresentation.</p> <p><b>Damage awards.</b></p> <p>States that the Uniform Municipal Contracting Law’s (UMCL) prohibition on awarding attorney fees applies to any action against a municipality involving public procurement even if not a “contract” under the UMCL.</p> <p>Under the UMCL, 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.”</p> |



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