

Chapter 21

2019 Regular Session

Subject Public procurement disputes

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Overview

This act gives Minnesota 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 bidder's assertion the city's denial of the bid-protest was biased. The court stated that, because the city's decision was "quasi-judicial" in nature, it could only be appealed through a writ of certiorari to the court of appeals and the district court lacked jurisdiction to consider it. See *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 by 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 act also specifies that it does not change any standard of review or remedies, and it specifies timing requirements for filing the action. Finally, the act 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	<p>Original jurisdiction of public procurement actions.</p> <p>Subd. 1. Original jurisdiction. 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 granting original jurisdiction to the district court does not alter any standard of review or remedy.</p>

Section	Description
	<p>Subd. 2. Timing for filing. Requires filing the action before the procurement contract is executed unless the party was unable to access information necessary to bring the action, or the action is alleging fraud, misrepresentation, or illegal/improper acts.</p>
2	<p>Damage awards.</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>
3	<p>Original jurisdiction; timing for filing.</p> <p>Section 1 amends current law regarding procurement by the State of Minnesota. This section adds substantially identical provisions to the UMCL.</p>
4	<p>Effective date.</p> <p>Provides that the act is effective the day following final enactment and applies to any actions filed with the district court on or after that date.</p>



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