

HOUSE RESEARCH

Bill Summary

FILE NUMBER: S.F. 376 **DATE:** February 19, 2001
Version: As passed by the Senate
Authors: Howes and others
Subject: Local improvements; contract requirements
Analyst: Deborah A. Dyson

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This bill is a technical correction to 2000 legislation relating to the uniform municipal contracting law. It increases threshold contract amounts that trigger certain bid advertising procedures for local improvement contracts and it increases the maximum amount of a project, under which a local government can purchase materials directly and then employ day labor for the improvement.

In 2000, the legislature made a similar change in the uniform municipal contracting law. The threshold for contracts requiring sealed bids under the uniform municipal contracting law was raised from \$25,000 to \$35,000 for municipalities with less than 2,500 population and to \$50,000 for all other municipalities. The range for contracts that can be entered into by direct negotiation was increased accordingly to be between \$10,000 and \$35,000 for municipalities under 2,500 population, and \$10,000 and \$50,000 for all other municipalities.

Section

- 1 **Plans and specifications, advertisement for bids.** Increases the threshold for when the governing body of the city, town or county must advertise for bids in the newspaper for the planned improvements from \$25,000 for all local governments to \$35,000 for local governments of less than 2,500 population and \$50,000 for all other local governments.
- 2 **Contracts; day labor.** Increases the maximum amount under which the governing body of the city, town or county may (a) directly purchase the materials for the work and employ day labor, or (b) use day labor to complete or re-do an unreasonably delayed or improperly done project for which the governing body hired a contractor, from \$25,000 for all local governments to \$35,000 for local governments of less than 2,500 population and \$50,000 for all other local governments. Increases the threshold total cost of a project, materials and day labor, from \$10,000 to \$25,000, for work done by day labor that must be supervised by a registered engineer.

3 **Effective date.** Makes sections 1 and 2 effective immediately.