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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. 729

February 8, 2007

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The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections

1.1 A bill for an act  
1.2 relating to state government; prohibiting contracts under competitive bidding  
1.3 process for certain offenses; proposing coding for new law in Minnesota Statutes,  
1.4 chapter 16C.

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

1.6 Section 1. [16C.261] COMPETITIVE BIDDING PROCESS; CRIMINAL OR  
1.7 CIVIL JUDGMENT.

1.8 Subdivision 1. Contract prohibited for certain criminal or civil judgments. No  
1.9 commissioner or government agency shall enter into any agreement for the provision of  
1.10 equipment, products, or services, whether through any competitive bidding process or not,  
1.11 with any company or entity that, within the three-year period preceding the agreement, has:

1.12 (1) been convicted or had a civil judgment rendered against the company or entity  
1.13 for the commission of fraud or a criminal offense in connection with obtaining, attempting  
1.14 to obtain, or performing a public (federal, state, or local) transaction or contract;

1.15 (2) violated any federal or state antitrust statutes;

1.16 (3) committed embezzlement, theft, forgery, bribery, falsification or destruction of  
1.17 records, making false statements, or receiving stolen property; or

1.18 (4) paid any federal or state entity an amount in excess of \$1,000,000 to settle  
1.19 any claims or allegations of improper billing, collusion, failure to disclose requisite  
1.20 information, or bid rigging.

1.21 Subd. 2. Applicant to certify. After January 1, 2008, in every agreement with the  
1.22 state of Minnesota for the provision of equipment, products, or services, whether through  
1.23 any competitive bidding process or not, and in every request for proposal, request for  
1.24 qualifications, request for services, or similar competitive bidding process, the state shall

2.1 require each applicant to certify that the applicant has not, within the three-year period  
2.2 preceding such date:

2.3 (1) been convicted or had a civil judgment rendered against the applicant for the  
2.4 commission of fraud or a criminal offense in connection with obtaining, attempting to  
2.5 obtain, or performing a public (federal, state, or local) transaction or contract;

2.6 (2) violated any federal or state antitrust statutes;

2.7 (3) committed embezzlement, theft, forgery, bribery, falsification or destruction of  
2.8 records, making false statements, or receiving stolen property; or

2.9 (4) paid any federal or state entity an amount in excess of \$1,000,000 to settle  
2.10 any claims or allegations of improper billing, collusion, failure to disclose requisite  
2.11 information, or bid rigging.

2.12 Subd. 3. **Contract termination; notice requirement.** All commissioners and  
2.13 government agencies that have, as of the day of enactment of this section, any agreement  
2.14 for the provision of equipment, products, or services, whether through any competitive  
2.15 bidding process or not, with any company or entity that, within the three-year period  
2.16 preceding the date of such agreement, has:

2.17 (1) been convicted or had a civil judgment rendered against the company or entity  
2.18 for the commission of fraud or a criminal offense in connection with obtaining, attempting  
2.19 to obtain, or performing a public (federal, state, or local) transaction or contract;

2.20 (2) violated any federal or state antitrust statutes;

2.21 (3) committed embezzlement, theft, forgery, bribery, falsification or destruction of  
2.22 records, making false statements, or receiving stolen property; or

2.23 (4) paid any federal or state entity an amount in excess of \$1,000,000 to settle  
2.24 any claims or allegations of improper billing, collusion, failure to disclose requisite  
2.25 information, or bid rigging, shall immediately terminate the agreement by providing a  
2.26 30-day notice.