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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **763**

February 8, 2007

Authored by Lieder and Erhardt

The bill was read for the first time and referred to the Transportation Finance Division

April 10, 2007

Committee Recommendation and Adoption of Report:

To Pass and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to highways; regulating highway contracts; amending Minnesota
1.3 Statutes 2006, section 161.32, subdivisions 1, 1b, 4.

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

1.5 Section 1. Minnesota Statutes 2006, section 161.32, subdivision 1, is amended to read:

1.6 Subdivision 1. **Advertisement for bids.** The commissioner may conduct the work
1.7 or any part of the work incidental to the construction and maintenance of the trunk
1.8 highways by labor employed to do the work or by contract. In cases of construction work,
1.9 the commissioner shall first advertise for bids for contracts, and if no satisfactory bids are
1.10 received, may either reject all bids and readvertise, or do the work by labor employed to
1.11 do the work. Except as provided in subdivision 3 or 4, when work is to be done under
1.12 contract, the commissioner shall advertise for bids once each week for three successive
1.13 weeks prior to the date the bids are to be received. The advertisement for bids must be
1.14 ~~published in a newspaper or other periodical of general circulation in the state and may be~~
1.15 ~~placed~~ on the Internet. The plans and specifications for the proposed work must be on file
1.16 in the commissioner's office prior to the first call for bids.

1.17 Sec. 2. Minnesota Statutes 2006, section 161.32, subdivision 1b, is amended to read:

1.18 Subd. 1b. **Lowest responsible bidder; electronic bids.** Bidders may submit
1.19 bids electronically in a form and manner required by the commissioner; however, the
1.20 commissioner may require that all bids ~~of \$5,000,000 and over~~ for trunk highway contracts
1.21 must be submitted electronically. Notwithstanding section 13.591, subdivision 3, or any
1.22 other law or rule to the contrary, bids are not required to be opened and read in public if
1.23 the commissioner publishes the public data specified by section 13.591, subdivision 3,

2.1 on a state Web site immediately after the deadline for receipt of bids has passed. Bids
2.2 for federal-aid highway projects must be conducted in accordance with Code of Federal
2.3 Regulations, title 23, section 635. Trunk highway construction contracts, including
2.4 design-build contracts, must be awarded to the lowest responsible bidder, taking into
2.5 consideration conformity with the specifications, the purpose for which the contract or
2.6 purchase is intended, the status and capability of the vendor, and other considerations
2.7 imposed in the call for bids. The commissioner may decide which is the lowest responsible
2.8 bidder for all contracts and may use the principles of life-cycle costing, when appropriate,
2.9 in determining the lowest overall bid. Any or all bids may be rejected. When competitive
2.10 bids are required and all bids are rejected, new bids, if solicited, must be called for as in
2.11 the first instance, unless otherwise provided by law.

2.12 Sec. 3. Minnesota Statutes 2006, section 161.32, subdivision 4, is amended to read:

2.13 Subd. 4. **Trunk highways damaged by spring breakup.** Contracts may be
2.14 let for the repair and restoration of trunk highways damaged by spring breakup upon
2.15 advertisement for bids ~~and publication thereof in a newspaper or periodical of general~~
2.16 ~~circulation~~ for a period of one week prior to the date such bids are to be received, and
2.17 upon the mailing of such advertisements to all contractors who have filed a written request
2.18 therefor.