

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 4796

(SENATE AUTHORS: CWODZINSKI and Mohamed)

DATE
03/11/2024

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Introduction and first reading
Referred to State and Local Government and Veterans

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to local government; modifying Hennepin County's authority to contract

1.3 with entities employing persons eligible for public assistance or otherwise requiring

1.4 rehabilitative services; amending Minnesota Statutes 2022, section 383B.145,

1.5 subdivision 5.

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

1.7 Section 1. Minnesota Statutes 2022, section 383B.145, subdivision 5, is amended to read:

1.8 Subd. 5. **Set-aside contracts.** (a) Notwithstanding any other law to the contrary, the

1.9 board may set aside an amount, for each fiscal year, for awarding contracts to businesses

1.10 and social services organizations ~~which have a majority of employees~~ that employ persons

1.11 who would be eligible for public assistance or who would require rehabilitative services in

1.12 the absence of their employment. The set-aside amount may not exceed two percent of the

1.13 amount appropriated by the board in the budget for the preceding fiscal year. Failure by the

1.14 board to designate particular procurements for the set-aside program shall not prevent

1.15 vendors from seeking the procurement award through the normal solicitation and bidding

1.16 processes pursuant to the provisions of the Uniform Municipal Contracting Act, section

1.17 471.345.

1.18 (b) The board may elect to use a negotiated price or bid contract procedure in the awarding

1.19 of a procurement contract under the set-aside program. The amount of the award shall not

1.20 exceed by more than five percent the estimated price for the goods or services, if they were

1.21 to be purchased on the open market and not under the set-aside program.

1.22 (c) Before contracting with a business or social service organization under the set-aside

1.23 program, the board or authorized person shall conduct an investigation of the business or

2.1 social service organization with whom it seeks to contract and shall make findings, to be
2.2 contained in the provisions of the contract, that:

2.3 (1) the vendor either:

2.4 (i) has in its employ at least 50 percent of its employees who would be eligible to receive
2.5 some form of public assistance or other rehabilitative services in the absence of the award
2.6 of a contract to the vendor; or

2.7 (ii) if the vendor is a business providing construction services, has in its employ as many
2.8 employees who would be eligible to receive some form of public assistance or other
2.9 rehabilitative services in the absence of the award of a contract to the vendor as is practicable
2.10 in consideration of industry safety standards, established supervisory ratios for apprentices,
2.11 and requirements for licensed persons to perform certain work;

2.12 (2) the vendor has elected to apply to the board for a contract under the set-aside
2.13 provisions; and

2.14 (3) the vendor is able to perform the set-aside contract.

2.15 (d) The board shall publicize the provisions of the set-aside program, attempt to locate
2.16 vendors able to perform set-aside procurement contracts and otherwise encourage
2.17 participation therein.