

1999 ASSEMBLY BILL 727

February 8, 2000 – Introduced by Representatives KREUSER, PORTER, MUSSER, STEINBRINK and GROTHMAN. Referred to Committee on Government Operations.

1 **AN ACT** *to create* 16.855 (10m) (d) of the statutes; **relating to:** payment of bid
2 preparation costs incurred by certain bidders for state construction work and
3 making an appropriation.

Analysis by the Legislative Reference Bureau

Currently, with certain exceptions, the department of administration (DOA) must let state construction work by bid and must award contracts for that work to the lowest qualified responsible bidder. One exception permits DOA to award a contract to a minority business if the business submits a bid that is no more than 5% higher than the bid submitted by the lowest qualified responsible bidder. A “minority business” is a business that is performing a useful business function and that is at least 51% owned, controlled and actively managed by a minority group member or members who are U.S. citizens or persons who are lawfully admitted to the United States for permanent residence. A “minority group member” is a black, Hispanic, American Indian, Eskimo, Aleut, native Hawaiian, Asian Indian or person of Asian Pacific origin, as defined in rules of the department of commerce.

This bill provides that, if DOA awards a contract for state construction work to a minority business that submitted a higher bid than the bid submitted for that work by one or more other qualified responsible bidders, DOA must reimburse the qualified responsible bidder that submitted the lowest bid for the reasonable bid preparation costs incurred by that bidder, if the bidder submits to DOA a statement of the bidder’s reasonable costs. Under the bill, any reimbursable costs that are paid by DOA are charged to the project budget for the construction project in connection

