Admin Minnesota
DEPARTMENT OF ADMINISTRATION

May 23, 2013

The Honorable Terri Bonoff, Chair
Higher Education & Workforce Development Committee
Minnesota Senate
State Capitol, Room 325
St. Paul, MN 55155

The Honorable Jeremy Miller, Ranking Minority Member
Higher Education & Workforce Development Committee
Minnesota Senate
State Office Building, Room 135
St. Paul, MN 55155

The Honorable Tim Mahoney, Chair
Jobs & Economic Development Finance Committee
Minnesota House of Representative
State Office Building, Room 591
St. Paul, MN 55155

The Honorable Bob Gunther, Ranking Minority Member
Jobs & Economic Development Finance Committee
Minnesota House of Representatives
State Office Building, Room 277
St. Paul, MN 55155

Dear Committee Chairs and Ranking Minority Members:

The attached report as required in Minnesota Statutes 16C.155 "Janitorial Contracts; Rehabilitation Programs and Extended Employment Providers," is respectfully submitted on behalf of the Department of Administration.

This report is submitted late due to implementation issues with the new SWIFT system, difficulty in assembling this report in the new system, and developing a methodology to use in the interim prior to full implementation.

Please contact my office if you have any questions or need assistance.

Sincerely,

Commissioner Spencer Cronk
Minnesota Department of Administration

Attachment

cc: Legislative Reference Library (2)

Department of Administration
Commissioner's Office
200 Administration Building, 50 Sherburne Avenue, Saint Paul, MN 55155
Phone: 651.201.2555 / Fax: 651.297.7909 / MN Relay Service: 1.800.627.3529

Fiscal Year 2012 **Report required by MN Stat. §16C.155**

SERVICE	UNSPSC	Total $ Spent	DHS/DEED $	%
Janitorial Services Cleaning Serv, Building/Domestic Maint	76111501	$1,688,932.21	$379,384.00	22.5%
Document Imaging and Scanning Imaging Services/Scanning Services*	81112005	$1,459,272.04	$1,413,428.51	96.9% *
Document Shredding Destruction Serv, Business Records	80161508	$306,365.00	$122,939.03	40.1%
Mailing, Collating, & Sorting Services** Mailing Services/Collating Services/ Sorting Services (Without Printing)	80141800	$1,775,032.57	unknown	unknown **
		$5,229,601.82	**$1,915,751.54**	**36.6%**

* There is a new contract release for this service that is mandatory. Agencies are to use this contract release for imaging and scanning services. Four of the contract vendors are DEED/DHS certified providers, and the agencies are required to use these vendors

** The unknown expenditure with the DEED/DHS certified providers is a result of the UNSPSC code being broad and including many different functions in this area. It fails to distinguish between mail services, postage, etc. and the tasks that DEED/DHS certified providers do. The spending is hidden, as it gets lumped in with other tasks under the UNSPSC code.

Notes: The source of the data is the Statewide Integrated Financial Tools (SWIFT) system, production region.

Minn. State §16C.155 calls for a report detailing the "aggregate value of contracts awarded" in the previous fiscal year. That information is not available in SWIFT or through other sources.

State purchasing policy directs agencies to code purchasing for eligible services in the 4 commodity codes (UNSPSC codes) shown. Figures are based on the state spend in the commodity codes (UNSPSC) listed and a Contract Release for Scanning and Imaging Services. The purchases were reviewed by staff from the Department of Administration's Materials Management Division (MMD). Some appeared to be miscoded and were edited accordingly. This "spend data" is the state's closest equivalent of the statutorily-required information.

The new SWIFT system is in development for a data warehouse. The new warehouse should contain solicitation and contract -related information needed to report on the legislative requirements.