



Purchasing Policy 29

Date: January 20, 2015

Revised June 11, 2015

To: State Agency Authority for Local Purchase (ALP) Certified Buyers

From: Kent Allin, Director

A handwritten signature in blue ink, appearing to read "Kent Allin".

Subject: **Purchasing from Department of Employment and Economic Development (DEED) Certified Providers and Department of Human Services (DHS) Licensed Providers**

Objective

This policy explains the following requirements for purchasing from DEED certified and DHS licensed providers (DEED/DHS providers):

- When you should purchase from them;
- What exceptions apply to the normal purchasing process;
- When to apply the 6% preference; and
- Which mandatory category codes you must use in SWIFT.

What Are DEED/DHS Providers?

DEED/DHS providers are vendors that provide employment support for disabled individuals.

They include:

- Rehabilitation programs or extended employment providers certified by DEED
- Day training and habilitation services licensed by DHS

You can find a list of DEED/DHS providers on the Materials Management Division (MMD) website at www.mmd.admin.state.mn.us. Click the "Acquisitions" tab, and then "ALP Manual." Go to appendices and find Appendix J.

When Do I Purchase From DEED/DHS Providers?

Whenever you purchase a designated service (see chart on next page), you *must* make every effort to solicit a DEED/DHS provider.

Minnesota law *requires* the State to use DEED/DHS providers for more than 19% of its contracts for designated services (listed below) when DEED/DHS providers offer prices within 6% of the estimated fair market price. See [Minn. Stat. § 16C.155](#).

112 Administration Building / 50 Sherburne Avenue / St. Paul, MN 55155

Phone: 651.201.2402 / Fax: 651.297.3996

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Why Should I Purchase From DEED/DHS Providers?

If you purchase services from DEED/DHS providers, then:

- You may waive the competitive solicitations requirement (see [Minn. Stat. § 16C.10](#));
- You may exceed your normal ALP level (see ALP Manual 1.6.6.1); *and*
- You help the State meet its legislative goals and provide employment support to disabled individuals.

When Do I Apply a Preference for DEED/DHS Providers?

	DEED certified rehabilitation programs and extended employment providers	DHS licensed day training and habilitation services
<u>Designated services</u> :	<ul style="list-style-type: none"> • Apply a 6% preference (Minn. Stat. 16C.155) 	<ul style="list-style-type: none"> • Apply a 6% preference (Minn. Stat. 16C.155)
All other services	<ul style="list-style-type: none"> • Apply a 6% preference only when certified and eligible as an ED* vendor (Minn. Stat. § 16C.16) 	<ul style="list-style-type: none"> • Apply no preference

What Are My Options When DEED/DHS Providers Are Available?

1. If you are purchasing one of the **designated services**, you *must* review the lists of DEED/DHS providers to see if any of the providers operate in the location where services are needed. If there are any eligible providers, then purchase the service using one of the three methods listed below.
 - a. Contact a DEED/DHS provider directly. Negotiate a contract for services even if the dollar value exceeds your ALP authority.
 - b. Competitively solicit the services to a group that consists of only DEED/DHS providers.
 - c. Competitively solicit the services to prospective vendors, including TG, ED, and VO vendors **and all** DEED/DHS providers.*
2. If you are not purchasing a **designated service**, purchase the service using one of the methods below.
 - a. Contact a DEED/DHS provider directly. Negotiate a contract for services even if the dollar value exceeds your ALP authority.
 - b. Competitively solicit the services to a group that consists of only DEED/DHS providers.
 - c. Competitively solicit the services to prospective vendors, including TG, ED, and VO vendors. You are encouraged to also include some or all eligible DEED/DHS providers.

Mandatory Category Codes (UNSPSC codes)

The Department of Administration must report to the legislature each year about efforts by State agencies to use DEED/DHS providers for the designated services.

You must use specific category codes in SWIFT on all State contracts and orders for these services. These codes indicate services that have statutory reporting requirements.

Services	Category Code (UNSPSC code)
Janitorial Services	76111501
Document Imaging and Scanning	81112005
Document Shredding	80161508
Mailing, Collating, and Sorting Services	80141800

If you have questions about purchasing these services, please contact Luke Jannett, MMD Acquisitions Manager, at 651.201.2446 or Luke.Jannett@state.mn.us.

*Note: TG = Targeted Group; ED = Economically Disadvantaged; VO = Veteran Owned; to learn more about *how to* apply preferences, please read [Policy 35](#).