



February 12, 2014

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

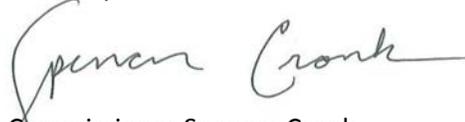
The Honorable Bob Gunther, Ranking Minority Member
Jobs & Economic Development Finance Committee
Minnesota House of Representatives
State Office Building, Room 277
St. Paul, MN 55155

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.

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

Sincerely,



Commissioner Spencer Cronk
Department of Administration

Attachment

cc: Legislative Reference Library (2)

Fiscal Year 2013

Report Required by Minn. Stat. § 16C.155

Service	UNSPSC	Total \$ Spent	DEED/DHS \$	%
Janitorial Services* Cleaning Services, Building/Domestic Maintenance	76111501	\$1,577,372	\$945,152	60.0%
Document Imaging and Scanning** Imaging Services/Scanning Services	81112005	\$574,606	\$545,741	95.0%
Document Shredding Destruction Services, Business Records	80161508	\$187,573	\$73,915	39.4%
Mailing, Collating, & Sorting Services*** Mailing/Collating/Sorting Services (without printing)	80141800	unknown	unknown	unknown

The data source for this report is the Statewide Integrated Financial Tools (SWIFT) system. Purchases in SWIFT are categorized by the purchasers into one of more than 50,000 possible commodity codes (UNSPSC codes). Review of the SWIFT data shows high percentages of incorrectly coded purchases.

The Materials Management Division (MMD) analyzed 11,475 purchases with relevant commodity codes in an attempt to improve the accuracy of this report. Items which were clearly miscoded or inapplicable were removed, as were items showing government entities as the vendor. The numbers in this report should be considered MMD’s best estimate.

*This data excludes services performed for MnDOT by Greenview Inc., a company which provides employment for needy, elderly persons pursuant to Minn. Stat. § 160.282.

** High DEED/DHS usage is the result of a mandatory use contract for these services. Four of the six vendors on this contract were DEED/DHS certified during FY2013.

*** The unknown expenditure on DEED/DHS certified providers is a result of the UNSPSC code being broad and including many functions that are not related to the services provided by DEED/DHS certified providers. The code fails to distinguish between mail services, shipping, postage, etc. and the tasks that DEED/DHS certified providers perform. As a result, the spending is hidden within the other tasks under the UNSPSC code.