



05 - 0481

DATE: July 28, 2005

TO: Senator Sheila Kiscaden
Representative Marty Seifert

FROM: *Dana B. Badgerow*
Dana B. Badgerow
Commissioner

SUBJECT: Internal Service Fund Rates for F.Y. 2006

A summary of Admin internal service fund rates for F.Y. 2006 is provided in the attached information, as required by Minnesota Statutes 16B.48, Subdivision 4. Documentation of the last rate approval letter was received on July 28, 2005. Attachments include:

- A summary of percentage rate changes.
- Six year rate comparisons.

Detailed information, in the form of business plans, are being provided to Kevin Lundeen and Helen Roberts.

As you are aware, internal service fund revenue is generated from charges made by the Department of Administration to other agencies, based on pre-approved rates, to cover the cost of services and products rendered those agencies. We provide only those services that represent a better value, in terms of quality and price, than agencies can obtain from other sources.

Each year, business plans and rates are carefully reviewed and approved within the Department of Administration, and by the Department of Finance. In each case, internal service fund rates were compared to prices offered by other providers, and our rates continue to represent superior value to our agency customers.

We are pleased to report that in FY 2006, Plant Management Lease rates have decreased by 4.8%, and Risk Management rates have decreased by 9%.

Three funds maintained an overall flat rate for F.Y. 2006:

- State Register
- Office Supply Connection
- Surplus Services

Five funds increased overall rates for F.Y. 2006:

- Materials Transfer
- Repair and Other Jobs
- Central Mail
- Travel Management
- Management Analysis & Development

These changes allow our funds to continue to be competitively priced, while maintaining financial stability.

Should you have any questions or comments regarding the rates for F.Y. 2006, please contact me.

c: Kevin Lundeen, Senate
Helen Roberts, House
Peggy Ingison, Finance
Tim Jahnke, Finance
Sheila Reger, Admin
Nicky Giancola, Admin
Larry Freund, Admin
Julie Poser, Admin



Internal Service Fund Rate Adjustments for F.Y. 2006

The following information represents the overall rate adjustments in each of the Admin internal service fund operations. The impact of specific rates within each operation may differ from the overall rate adjustment. These rates were reviewed extensively by Admin leadership and were approved by the Department of Finance pursuant to Minnesota Statutes 16A.126.

Plant Management- Leases	(4.80%)
- Materials Transfer	1.90%
- Repairs & Other Jobs	10.40%
Risk Management - Self Insurance	(9.00%)
Communications Media- Central Mail	1.40%
- State Register	0.00%
Travel Management - Individualized Rates	3.50%
- Categorized rates	4.50%
Materials Management- Office Supplies Connection	0.00%
- Surplus Services	0.00%
Management Analysis & Development	12.00%

**Plant Management Leases
Fiscal Years 2006 & 2007
Six-Year Rate Comparison**

<u>Building</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>
321 Grove Bldg 1	\$10.83	\$11.05	\$7.65	\$7.65	\$7.65	\$7.65
321 Grove Bldg 2	9.00	9.50	7.90	7.90	7.00	7.00
625 N. Robert	13.00	13.50				
635 N. Robert	10.50	10.82				
691 N. Robert	10.63	11.69	9.50	9.50	9.50	9.50
1246 University Ave	11.75	11.75				
Administration	17.47	17.99	14.68	14.68	14.68	14.68
Ag/Health Laboratory					28.69	28.69
BCA Maryland			21.50	21.50	21.50	21.50
Capitol	30.66	31.58	29.60	29.60	29.00	29.00
Centennial	14.28	14.71	13.20	13.20	13.50	13.90
Duluth Gov't Service Ctr	10.03	10.03				
Ely	13.53	13.53	13.45	13.45	14.75	14.75
Ford - Office	19.76	20.75				
Ford - Production	10.00	12.00				
Governor's Residence	29.75	31.47	26.75	26.75	23.00	23.00
Health	16.95	18.65	18.50	18.50		
Judicial Center	23.91	24.63	21.65	21.65	22.50	22.79
MN History Center	21.59	22.02	18.60	18.60	18.25	18.25
Retirement Systems	10.67	10.93	10.35	10.35	10.00	10.00
Stassen	17.05	17.05	15.55	15.55	10.55	15.55
State Office Bldg	15.26	15.72	14.65	14.65	13.75	13.75
Transportation	15.54	16.00	15.45	15.45	15.45	15.45
Veterans Service	15.48	17.03	16.70	16.70	15.70	15.70
Storage - most Buildings	6.00	6.50	6.50	6.50	6.50	6.50

Six Year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
MATERIALS TRANSFER
FOR FISCAL YEAR 2006**

Rate	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Movers - Regular	\$39.60	\$39.60	\$42.00	\$42.00	\$42.00	\$43.00
Movers - Premium	47.50	47.50	50.40	50.40	50.40	51.60
Mail Delivery	36.00	36.00	36.75	37.75	37.75	39.00
Product Delivery	38.20	38.70	40.25	40.25	40.25	40.25
Chair	0.25	0.25	0.25	0.25	0.25	0.25
Table	2.25	2.25	2.25	2.25	2.25	2.25
Half Mile Hailer	15.00	15.00	15.00	15.00	15.00	15.00
Podium w/small P.A.	15.00	15.00	15.00	15.00	15.00	15.00
Expanded P.A.	100.00	100.00	100.00	100.00	100.00	100.00
Backdrop	35.00	35.00	35.00	35.00	35.00	35.00
Riser	10.00	10.00	10.00	10.00	10.00	10.00
Coat Rack	2.00	2.00	2.00	2.00	2.00	2.00
Easel	2.00	2.00	2.00	2.00	2.00	2.00
Power Cord - Indoor	10.00	10.00	10.00	10.00	10.00	10.00
Power Cord - Outdoor	25.00	25.00	25.00	25.00	25.00	25.00
VCR/TV - First Day	15.00	15.00	15.00	15.00	15.00	15.00
VCR/TV - Additional Days	5.00	5.00	5.00	5.00	5.00	5.00
3M 471 tape	n/a	n/a	n/a	25.00	25.00	25.00

Six Year Rate Comparison

MINNESOTA DEPARTMENT OF ADMINISTRATION
REPAIR AND OTHER JOBS (ROJ)
FOR FISCAL YEAR 2006

Rate	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Labor - Regular	\$37.15	\$37.15	\$38.00	\$49.40	\$51.85	\$57.25
Labor - Premium	44.60	44.60	45.60	59.30	62.25	68.70
Signature Keys	n/a	5.00	5.00	5.00	5.00	5.00
Other Keys	1.10	1.10	1.10	1.10	1.10	1.10

Six-Year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
Central Mail
FOR FISCAL YEAR 2006**

<u>Rate</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Computer labels						
First 1,000	\$40.00	\$40.00	Discontinued	N/A	N/A	N/A
Additional 1000s*	\$18.00	\$18.00	Discontinued	N/A	N/A	N/A
Bulking -- Per piece						
	\$0.035	\$0.035	Discontinued	N/A	N/A	N/A
Sacking/labeling						
First 1,000	\$10.00	\$10.00	\$13.00	\$13.00	\$13.00	\$13.00
Each additional piece	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.02
Pre-sort (3-digit) -- Per piece						
	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Payroll warrants -- Per thousand						
	\$8.00	\$8.00	Discontinued	N/A	N/A	N/A
Warrants -- Per thousand						
Self mailer	\$6.00	\$6.00	\$7.00	\$7.00	\$7.00	\$7.00
Double Postcards	N/A	N/A	N/A	N/A	\$9.00	\$9.00
Traditional inserting						
1 insert						
First 1,000	\$23.50	\$23.50	\$25.00	\$25.00	\$25.00	\$25.00
Additional 1,000s	\$17.50	\$17.50	\$18.00	\$18.00	\$18.00	\$18.00
2 inserts						
First 1,000	\$27.50	\$27.50	\$29.00	\$29.00	\$29.00	\$29.00
Additional 1,000s	\$18.50	\$18.50	\$19.00	\$19.00	\$19.00	\$19.00
3 inserts						
First 1,000	\$31.50	\$31.50	\$33.00	\$33.00	\$33.00	\$33.00
Additional 1,000s	\$19.50	\$19.50	\$20.00	\$20.00	\$20.00	\$20.00
4 inserts						
First 1,000	\$35.50	\$35.50	\$36.50	\$36.50	\$36.50	\$36.50
Additional 1,000s	\$20.50	\$20.50	\$21.00	\$21.00	\$21.00	\$21.00
5 inserts						
First 1,000	\$39.50	\$39.50	\$39.50	\$39.50	\$39.50	\$39.50
Additional 1,000s	\$21.50	\$21.50	\$23.00	\$23.00	\$23.00	\$23.00
6 inserts						
First 1,000	\$43.50	\$43.50	\$43.50	\$43.50	\$43.50	\$43.50
Additional 1,000s	\$22.50	\$22.50	\$24.00	\$24.00	\$24.00	\$24.00
Match inserting						
Set-up (New rate)	N/A	N/A	N/A	N/A	N/A	\$40.00
Inserting fee (per thousand) -- 2 inserts (New rate)	N/A	N/A	N/A	N/A	N/A	\$25.00
Inserting fee (per thousand) -- 3 inserts (New rate)	N/A	N/A	N/A	N/A	N/A	\$28.00
Sorting and Bar-coding -- Per piece						
Scheduled runs	\$0.019	\$0.019	\$0.020	\$0.020	\$0.020	\$0.020
Small runs (metered)	\$0.041	\$0.047	\$0.047	\$0.047	\$0.047	\$0.047
Double postcard sort (New rate)	N/A	N/A	N/A	N/A	N/A	\$0.025
Postage handling fee						
House/Senate monthly delivery (See note #1 below.)	2.25%	2.50%	3.00%	3.00%	3.00%	3.25%
	\$0	\$0	\$0	\$0	\$0	\$100/each body
Ink-jet addressing						
Set-up	N/A	\$23.00	\$23.00	\$23.00	\$23.00	\$23.00
Data import	N/A	\$28.00	\$28.00	\$28.00	\$28.00	\$28.00
National Change of Address (up to 13,000) (New rate)	N/A	N/A	N/A	N/A	N/A	\$38.00
NCOA - 13,001 - 50,000 (Per thousand) (New rate)	N/A	N/A	N/A	N/A	N/A	\$2.90
NCOA - 50,001 - 100,000 (Per thousand) (New rate)	N/A	N/A	N/A	N/A	N/A	\$2.40
NCOA - More than 100,001 (Per thousand) (New rate)	N/A	N/A	N/A	N/A	N/A	\$1.85
Addressing (zip+4 standard) -- Per thousand	N/A	\$7.00	\$7.50	\$7.50	\$7.50	\$7.50
Addressing -- Per thousand	N/A	\$17.00	\$17.50	\$17.50	\$17.50	\$17.50
Bulking -- Per piece	N/A	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
Pre-sorting -- Per piece	N/A	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02
Custom features - Per thousand	N/A	\$5.00	\$6.00	\$6.00	\$6.00	\$6.00
Tabbing Set-up	N/A	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Tabs -- Per tab	N/A	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Permit filing						
Use of state permit #171	N/A	N/A	\$20.00	\$20.00	\$20.00	\$20.00
Shop rate (previously called Hand Work)						
	N/A	N/A	N/A	N/A	\$36.75	\$36.75
Folding						
Simple - Per thousand	N/A	N/A	N/A	N/A	\$6.00	\$6.00
Complex - Per thousand	N/A	N/A	N/A	N/A	\$12.00	\$12.00

* Effective with the FY00 rate package, this was changed from 100s to 1,000s.

Note #1: The Postage handling fee is not a new rate. However, the House and Senate -- which currently pay very little of the existing Postage Handling fee -- will be paying \$100 each per month for mail delivery service.

Six-Year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
State Register
FOR FISCAL YEAR 2006**

<u>Rate</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Billable page rate	\$115	\$122	\$131	\$144	\$144	\$144
Annual subscription (<i>State Register</i> only via mail)	\$160	\$160	\$160	\$160	Discontinued	N/A
Annual subscription (<i>State Register</i> only via e-mail)	N/A	N/A	\$180	\$180	\$180	\$180
Annual subscription (<i>Solicitation Announcements</i> via mail)	\$135	\$135	\$135	\$135	Discontinued	N/A
Annual subscription (<i>Solicitation Announcements</i> via fax)	\$150	\$150	\$150	\$150	Discontinued	N/A
Trial subscription (1) (13 weeks)	\$65	\$65	Discontinued	N/A	N/A	N/A

(1) Trials subscribers received the Monday edition of the *State Register* and the *Solicitation Announcements*.

Six Year Rate Comparison

MINNESOTA DEPARTMENT OF ADMINISTRATION
Travel Management Division
For Fiscal Year 2006

Categorized Rates

Long-term Rentals

Rate	mid-year							% Change	
	FY2001	FY2002	FY2002	FY2003	FY2004	FY2005	FY2006		
Automobiles									
Sub-compact	Fixed	200	200	212	225	233	247	258	4.45%
	Mileage	0.07	0.07	0.074	0.079	0.081	0.086	0.090	4.50%
Compact	Fixed	230	230	244	259	268	284	297	4.58%
	Mileage	0.07	0.07	0.074	0.079	0.081	0.086	0.090	4.50%
Intermediate	Fixed	251	251	266	282	292	310	324	4.52%
	Mileage	0.09	0.09	0.095	0.101	0.105	0.111	0.116	4.50%
Int. Wagon	Fixed	256	256	271	287	297	315	329	4.44%
	Mileage	0.09	0.09	0.095	0.101	0.105	0.111	0.116	4.50%
Full Size	Fixed	301	301	319	338	350	371	388	4.58%
	Mileage	0.11	0.11	0.117	0.124	0.128	0.136	0.142	4.50%
Police	Fixed	321	321	340	360	373	395	413	4.56%
	Mileage	0.15	0.15	0.159	0.169	0.174	0.185	0.193	4.50%
Specialty Vehicles									
Mini-van	Fixed	261	261	277	294	304	322	336	4.35%
	Mileage	0.11	0.11	0.117	0.124	0.128	0.136	0.142	4.50%
Cargo Van	Fixed	298	298	316	335	347	368	385	4.62%
	Mileage	0.15	0.15	0.159	0.169	0.174	0.185	0.193	4.50%
Pass. Van	Fixed	326	326	346	367	380	403	421	4.47%
	Mileage	0.2	0.2	0.212	0.225	0.233	0.247	0.258	4.50%
Spec. Van	Fixed	400	400	424	449	465	493	515	4.46%
	Mileage	0.18	0.18	0.191	0.202	0.209	0.222	0.232	4.50%
Jeep	Fixed	326	326	346	367	380	403	421	4.47%
	Mileage	0.17	0.17	0.180	0.191	0.198	0.210	0.219	4.50%
Carry-all	Fixed	391	391	414	439	454	481	503	4.57%
	Mileage	0.2	0.2	0.212	0.225	0.233	0.247	0.258	4.50%
Light Trucks									
Pickup 431	Fixed	276	276	293	311	322	341	356	4.40%
	Mileage	0.15	0.15	0.159	0.169	0.174	0.185	0.193	4.50%
Pickup 531	Fixed	301	301	319	338	350	371	388	4.58%
	Mileage	0.19	0.19	0.201	0.213	0.221	0.234	0.245	4.50%
Pickup 731	Fixed	326	326	346	367	380	403	421	4.47%
	Mileage	0.19	0.19	0.201	0.213	0.221	0.234	0.245	4.50%
Pickup 931	Fixed	351	351	372	394	408	432	451	4.40%
	Mileage	0.21	0.21	0.223	0.236	0.244	0.259	0.271	4.50%

Note: Fixed rates are rounded to the nearest whole dollar. Mileage rates are rounded to the nearest tenth of a cent. Percentages are calculated using rate numbers prior to rounding.

Six Year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
Office Supply Connection
FOR FISCAL YEAR 2006**

Rate	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Stock Product	28.5	28.5	28.5	28.5	28.5	28.5
Markup---Note for FY04 thru FY06--27.5% Markup on web inventory items						
Stockless Discount	46	46	46	48	46	46
Basic Office Supplies						
Stockless Discount	20	20	20	25	20	20
Small Electrical						
Stockless Discount	10	10	10	15	10	10
Not Necessarily Office Supplies						
Stockless Discount	5	5	5	5	5	5
Furniture/Appliances/Specials						

Six Year Rate Comparison

MINNESOTA DEPARTMENT OF ADMINISTRATION
SURPLUS SERVICES FUND 941
FOR FISCAL YEAR 2006

Rate	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Auction Admin. Fee (metro)	10%	10%	10%	10%	10%	10%
Auction Admin. Fee (out-state)	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Host Fee	0.50%	0.50%	0.50%	0.50%	1%	1%
State Surplus Property Fee	Various	Various	Various	Various	Various	Various
Daily Garage Sale Fee	Various	Various	Various	Various	Various	Various
Materials Storage Fee (inside)	\$5.65*	\$5.65*	\$5.65*	\$5.65*	\$5.65*	\$5.65*
Materials Storage Fee (outside)	\$25.00~	\$25.00~	\$25.00~	\$25.00~	\$25.00~	\$25.00~
Forklift Fee	\$28.00^	\$28.75^	\$28.75^	\$28.75^	\$28.75^	\$28.75^
Truck Fee	\$35.25^	\$36.00^	\$36.00^	\$36.00^	\$36.00^	\$36.00^
Warehouse Person Fee	\$21.00^	\$21.00^	\$21.00^	\$21.00^	\$21.00^	\$21.00^
Warehouse Supervisor Fee	\$27.25^	\$28.35^	\$28.35^	\$28.35^	\$28.35^	\$28.35^
*Annual Sq. Ft. Cost						
~Vehicle Monthly						
^Hourly						

Six Year Rate Comparison

MINNESOTA DEPARTMENT OF ADMINISTRATION
Management Analysis & Development
FOR FISCAL YEAR 2006

Rate	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
MAD	\$95	\$98	\$98	\$98	\$103	\$115
TDRC*					\$111	

Certain projects may be billed at a fixed price based on the nature of the work.

* \$111 per student per day, incorporated into the FY06 MAD rate