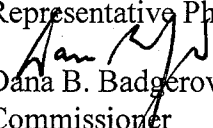


08 - 0067



DATE: January 15, 2008

TO: Senator Don Betzold
Representative Phyllis Kahn

FROM: 
Dana B. Badgerow
Commissioner

SUBJECT: Internal Service Fund Rates for FY 08

A summary of Admin's internal service fund rates for FY 08 is provided in the attached information as required by Minnesota Statutes 16B.48, Subdivision 4. Attachments include:

- Summary of percentage rate changes
- Six-year rate comparisons for each internal service fund

Business plans for each internal service fund are being provided to Kevin Lundeen and Helen Roberts.

Internal service fund revenue is generated from charges by Admin to other agencies, based on pre-approved rates to cover the costs of services and products rendered to those agencies. In general, we provide services that represent a better value, in terms of quality and price, than are obtainable by agencies from other sources. In many cases agencies have a choice between Admin and a private service provider.

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

We are pleased to note that one fund reduced rates and four funds maintained an overall flat rate for FY 08:

- Leases – rate reduction of 1%
- Materials Transfer
- Central Mail
- State Register
- Office Supply Connection

FY 2008 Business Plan

Business		Operating Revenue	Operating Costs & COGS	Nonoperating Rev/Costs	FY08	Change in Revenue Request vs Current Rate
Leases	FY08	62,801,924	60,686,805		FTE - 230.57	Rate decrease of 1.0%. Note: An interim rate decrease of 4.7% submitted for the History Center was approved on January 2, 2008. Information attached.
	FY07	41,494,093	42,649,739		Rev/FTE \$272,377	
	Variance	21,307,831	18,037,066		Op & COGS/FTE \$263,203	
		51.4%	42.3%			
Materials Transfer	FY08	820,301	856,753		FTE - 13.11	No rate change requested.
	FY07	706,018	811,290		Rev/FTE \$62,571	
	Variance	114,283	45,463		Op & COGS/FTE \$65,351	
		16.2%	5.6%			
Parking	FY08	3,493,031	3,443,262		FTE - 9.5	Rates remain the same except for parking meters and daily parking permits. The increases are from \$1.00 to \$1.50 per hour and \$4.00 to \$5.00 per day, respectively.
	FY07	3,167,117	3,171,426		Rev/FTE \$367,687	
	Variance	325,914	271,836		Op & COGS/FTE \$362,449	
		10.3%	8.6%			
Repair & Other Jobs	FY08	276,524	289,578		FTE - 2.51	Overall rate change increase of 9.2% (\$5.25 per hour)
	FY07	240,474	207,020		Rev/FTE \$110,169	
	Variance	36,050	82,558		Op & COGS/FTE \$115,370	
		15.0%	39.9%			
Risk Management	FY08	11,291,692	10,917,894	(827,109)	FTE - 11	Rate changes are very selective and address specific problems. Overall rate increase of 3.5%.
	FY07	10,915,800	10,986,546	(100,028)	Rev/FTE \$1,026,517	
	Variance	375,892	(68,652)	(727,081)	Op & COGS/FTE \$992,536	
		3.4%	-0.6%	726.9%		
Central Mail	FY08	8,631,815	8,635,385		FTE - 7.10	No rate change requested.
	FY07	8,265,477	8,261,387		Rev/FTE \$1,215,749	
	Variance	366,338	373,998		Op & Cog/FTE \$1,216,251	
		4.4%	4.5%			
MN Bookstore	FY08	1,651,800	1,610,951		FTE - 10.8	No rate change requested.
	FY07	1,768,800	1,743,985		Rev/FTE \$152,944	
	Variance	(117,000)	(133,034)		Op & Cog/FTE \$149,162	
		-6.6%	-7.6%			
Fleet Services	FY08	13,174,301	12,542,500	(400,000)	FTE - 10.5	Individualized and categorized rates will increase by 3.5%. TMD will credit agencies \$1.10 for every gallon of E85 used.
	FY07	12,231,679	12,297,500	100,000	Rev/FTE \$1,254,695	
	Variance	942,622	245,000	(500,000)	Op & COGS/FTE \$1,194,524	
		7.7%	2.0%	-500.0%		
Land Management Info.	FY08	650,132	584,056		FTE - 5.9	Senior Consultant increase 5%, Sr. Analyst/Programmer increase 3%, GIS Professional increase 6% and GIS Technician increase 14%
	FY07	694,930	650,932		Rev/FTE \$110,192	
	Variance	(44,798)	(66,876)		Op & COGS/FTE \$98,993	
		-6.4%	-10.3%			
Office Supply Connection	FY08	7,128,000	7,120,128	0	FTE - 10.85	No rate change requested.
	FY07	7,122,719	7,111,875	0	Rev/FTE \$656,959	
	Variance	5,281	8,253	0	Op & COGS/FTE \$656,233	
		0.1%	0.1%			
Surplus Operations	FY08	1,478,644	1,569,508	-200,000	FTE - 9.07	Storage and form fees rate increase 3.7%. No change for auction fees and hard drive wiping fees.
	FY07	1,630,357	1,544,193	-200,000	Rev/FTE \$163,026	
	Variance	(151,713)	25,315	0	Op & COGS/FTE \$173,044	
		-9.3%	1.6%			
Management Analysis	FY08	1,996,650	1,981,366	0	FTE - 21.35	Rate increase of 4.17%.
	FY07	1,782,144	1,753,604	0	Rev/FTE \$93,520	
	Variance	214,506	227,762	0	Op & COGS/FTE \$92,804	
		12.0%	13.0%			

**Plant Management Leases
Fiscal Years 2008 & 2009
Six-Year Rate Comparison**

<u>Building</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>
321 Grove Bldg 1	\$7.65	\$7.65	\$7.65	\$7.65	\$6.65	\$6.65
321 Grove Bldg 2	7.90	7.90	7.00	7.00	6.00	6.00
691 N. Robert	9.50	9.50	9.50	9.50	12.00	14.00
Administration	14.68	14.68	14.68	14.68	15.70	16.70
Ag/Health Laboratory			28.69	28.69	35.75	37.25
Andersen			33.63	33.80	30.00	30.00
BCA Maryland	21.50	21.50	21.50	21.50	21.50	21.50
Capitol	29.60	29.60	29.00	29.00	28.00	28.00
Centennial	13.20	13.20	13.50	13.90	14.65	15.40
Ely	13.45	13.45	14.75	14.75	15.75	16.75
Freeman			35.08	35.34	35.00	35.00
Governor's Residence	26.75	26.75	23.00	23.00	24.00	25.00
Health	18.50	18.50				
Judicial Center	21.65	21.65	22.50	22.79	22.79	22.79
MN History Center	18.60	18.60	18.25	18.25	18.25	18.25
Retirement Systems	10.35	10.35	10.00	10.00	10.25	10.50
Stassen	15.55	15.55	10.55	15.55	15.55	15.55
State Office Bldg	14.65	14.65	13.75	13.75	14.50	15.25
Transportation	15.45	15.45	15.45	15.45	14.00	14.00
Veteran Services	16.70	16.70	15.70	15.70	15.70	15.70
Storage - most buildings	6.50	6.50	6.50	6.50	6.50	6.50




MINNESOTA DEPARTMENT OF
FINANCE

Office Memorandum

Date: December 17, 2007

To: Dana Badgerow, Commissioner
Department of Administration

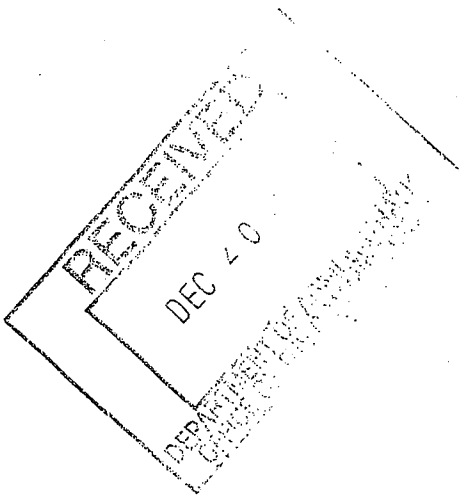
From: Jim Schowalter, Assistant Commissioner/
Budget Division Director 

Phone: 651-201-8011

Subject: FY08/09 History Center Interim Lease Rate Request

Pursuant to your request, the Department of Finance approves the interim rate request for the Minnesota History Center as proposed in your memo dated October 17, 2007.

cc: ✓ Lenora Madigan, Administration
Dave Fielding, Administration
Kari Suchy, Administration
Brian Steeves, Finance
Keith Bogut, Finance
Peggy Lexau, Finance





PLANT MANAGEMENT DIVISION

DATE: October 17, 2007

TO: Dana Badgerow
Commissioner

FROM: Kari Suchy
Business Operations Manager

SUBJECT: Minnesota History Center Interim Lease Rate Request

When lease rates were established last year for FY2008-2009, the plan included a significant increase in rental costs for the Minnesota History Center. The Historical Society requested additional funds for the increased rent. Their request was reduced by the Governor and then again by the legislature. The Historical Society and Plant Management have worked collaboratively towards a solution to their budget shortfall. We have decided, and the Minnesota Historical Society Board has approved, the HVAC project that was originally to be split funded between the Leases and Facility Repair and Replacement account (FR&R) in FY2007, will now be fully funded from FR&R in FY2008. Based on this change, PMD is requesting the revised lease rate be approved for FY2008-2009. The FY2008 rate was originally \$18.25 and the revised rate is \$17.40, resulting in a decrease in retained earnings of \$38,050. The FY2009 rate was originally \$18.25 and the revised rate is \$17.93, resulting in a decrease in retained earnings of \$44,715.

Please approve this interim rate change and forward to the Department of Finance.

If you have any questions, please let me know. Thank you!

Minnesota History Center
Revised Lease Rates
10/9/2007

	<u>FY08</u>	<u>FY09</u>
<i>Direct Costs</i>		
Salaries & Benefits	\$1,230,762	\$1,266,007
Maintenance & Leasehold	132,889	211,388
Repairs & Maintenance	146,999	150,674
Insurance	43,520	44,841
Professional/Technical Services	14,150	13,381
Purchased Services	43,026	44,102
Communications	5,986	6,141
Utilities - Electric	780,888	800,411
Utilities -Water & Sewage	55,690	57,361
Utilities - Gas for Heating	629,963	645,712
Utilities - Other	12,892	13,214
Supplies	141,439	144,975
Other Operating Costs	8,311	8,519
Statewide Indirect Costs	85,664	87,806
Intrafund Expenses (PMD Rent & Janitorial)	36,406	42,057
Equipment Depreciation	8,444	9,579
Depreciation of Bldg Improvements	0	0
Building Depreciation	467,617	467,617
Bond Interest	1,655,252	1,655,252
Total Direct Costs	<u>\$5,499,898</u>	<u>\$5,669,037</u>
<i>Distributions/Allocations</i>		
Admin O/H Internal (B)	\$129,922	\$135,881
Admin O/H External (A)	68,850	71,604
Grounds (D)	27,418	29,291
Common Space (Conf Rms) (C)	0	0
Automation System (F)	62,244	64,337
Total Distributions/Allocations	<u>\$288,434</u>	<u>\$301,113</u>
Total Costs	<u>\$5,788,332</u>	<u>\$5,970,150</u>
Office/Lab Rate Breakeven	\$17.52	\$18.07
Office/Lab Revenue Breakeven	\$5,789,940	\$5,971,701
Requested Office/Lab Rate	\$17.40	\$17.93
Requested Office/Lab Revenue	\$5,750,282	\$5,925,435
Inc (Dec) In Retained Earnings	(\$38,050)	(\$44,715)
Automation System Points	9,025	9,025
Distribution Methods		
A, By Total Sq. Ft.	0.1164	0.1164
B, By Sq. Ft. w/o Ely	0.1170	0.1170
C, By Sq Ft Cap Cmplx	0.0000	0.0000
D, By Grounds	0.0500	0.0500
F, By Automation System Points	0.1857	0.1857
H, By Packer	0.1176	0.1176
I, M&L	0.1637	0.1637
Square Footage, Useable	330,476	330,476

Six Year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
MATERIALS TRANSFER
FOR FISCAL YEAR 2008**

Rate	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Movers & More - Regular	\$42.00	\$42.00	\$42.00	\$43.00	\$43.00	\$43.00
Movers & More - Premium	50.40	50.40	50.40	51.60	51.60	51.60
Mail Delivery	36.75	37.75	37.75	39.00	39.00	39.00
Product Delivery	40.25	40.25	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/Curtain	35.00	35.00	35.00	35.00	35.00	35.00
Banner Pole Set	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
Indoor Power Supply Panel*	25.00	25.00	25.00	25.00	25.00	25.00
Outdoor Power Supply Panel*	50.00	50.00	50.00	50.00	50.00	50.00
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	25.00	25.00	25.00	25.00	25.00

*Rates for Power Supply Panels inadvertently missed on previous years' comparison charts.

Six Year Rate Comparison

	<u>FY 03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>
Lot	\$18.47	\$23.09	\$27.25	\$28.61	\$29.75	\$29.75
Lot - Non-State	27.62	34.53	n/a	n/a	n/a	n/a
Lot - Satellite at reduced rate	n/a	n/a	n/a	15.00	15.00	15.00
Ramp	32.08	40.10	47.32	49.68	51.67	51.67
Ramp - Non-State	41.44	51.80	n/a	n/a	n/a	n/a
Top Deck	21.19	26.49	31.26	32.82	34.13	34.13
Top Deck - Non-State	30.38	37.98	n/a	n/a	n/a	n/a
Garage	64.73	80.91	95.47	100.25	104.26	104.26
Motorcycle - Lot	9.21	11.51	13.58	14.26	14.83	14.83
Motorcycle - Ramp	13.82	17.28	20.39	21.41	22.27	22.27
Segway - Garage*	n/a	26.97	31.83	50.00	50.00	50.00
Legislative Intern per month	10.00	10.00	10.00	10.00	10.00	10.00
Daily Permit	3.50	4.00	4.00	4.00	4.00	5.00
Daily Bus Permit	n/a	n/a	n/a	n/a	10.00	10.00
Pkg Lost/Stolen Replacement Tag	5.75	25.00	25.00	25.00	25.00	25.00
Lost/Stolen Bike Locker Key	25.00	25.00	25.00	25.00	25.00	25.00
Replacement Metropass - 1st time	20.00	20.00	20.00	20.00	20.00	20.00
Replacement Metropass - 2nd time	40.00	40.00	40.00	40.00	40.00	40.00
Parking Meter per hour	0.75	1.00	1.00	1.00	1.00	1.50
Bike locker - Annual	60.00	75.00	75.00	50.00	50.00	50.00
Shuttle	23.78	n/a	n/a	n/a	n/a	n/a
Metropass	21.67	27.09	27.25	28.61	29.75	29.75

Notes:

Rates are per month unless otherwise noted

Beginning in FY05 non-state rates were eliminated; same rate is used for all

Replacement Metropass rates are set by MetroTransit

*Segway - Garage rates for FY04 & FY05 reflect a monthly charge; FY06 and after reflect an annual charge.

Six Year Rate Comparison

MINNESOTA DEPARTMENT OF ADMINISTRATION
REPAIR AND OTHER JOBS (ROJ)
FOR FISCAL YEAR 2008

Rate	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Labor - Regular	\$38.00	\$49.40	\$51.85	\$57.25	\$57.25	\$62.50
Labor - Premium	45.60	59.30	62.25	68.70	68.70	75.00
Signature Keys	5.00	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
RISK MANAGEMENT DIVISION
FOR FISCAL YEAR 2008

Rate	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Change FY08/FY07
Automobile Liability per non-sireded vehicle - Tier 2	\$158	\$158	\$158	\$158	\$158	\$174	10.13%
Tier 1						\$154	N/A
Tier 3						\$194	N/A
Dakota County	\$210	\$210	\$210	\$210	\$210	\$194	-7.62%
MnDOT & Minnesota State Colleges and Universities	\$158	\$158	\$158	\$198	\$198	\$194	-2.02%
Exception: Anoka County			\$210	\$210	\$420	\$700	66.67%
Auto Liability per sireded vehicle							
Tier 1						\$231	N/A
Tier 2						\$261	N/A
Tier 3						\$291	N/A
Dakota County	\$263	\$263	\$263	\$263	\$263	\$291	10.65%
Metropolitan Airports Commission	\$198	\$198	\$237	\$237	\$237	\$261	10.13%
Exceptions: Anoka County			\$263	\$263	\$526	\$900	71.10%
Public Safety	\$198	\$198	\$237	\$237	\$474	\$474	0.00%
Automobile Physical Damage (per \$100 of insurance)							
\$ 500 deductible	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.85	-11.46%
\$1,000 deductible	\$0.90	\$0.90	\$0.90	\$0.90	\$0.80	\$0.75	-6.25%
\$ 500 deductible (selected agencies)	\$1.47	\$1.47	\$1.47	\$1.47	\$1.47	\$1.47	0.00%
\$1,000 deductible (selected agencies)	\$1.37	\$1.37	\$1.37	\$1.37	\$1.37	\$1.37	0.00%
\$1,000 deductible (Dakota County)	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	0.00%
\$250/\$1,000 deductible (Anoka County)			\$1.58	\$1.58	\$1.58	\$3.95	150.00%
\$2,500 (MnDOT lease/purchase snowplow chassis)				\$1.70	\$1.70	\$1.70	0.00%
General Liability	Varies	Varies	Varies	Varies	Varies	Varies	N/A
Property (including Boiler & Crime/Cyber) / per							
\$100 of insurance							
\$ 1,000 deductible	\$1.1250	\$1.1250	\$0.1250	\$0.1250	\$0.1250	\$0.1250	0.00%
\$ 2,500 deductible	\$0.0975	\$0.0975	\$0.0975	\$0.0825	\$0.0825	\$0.0825	0.00%
\$ 5,000 deductible	\$0.0825	\$0.0825	\$0.0825	\$0.0675	\$0.0675	\$0.0675	0.00%
\$ 10,000 deductible	\$0.0750	\$0.0750	\$0.0750	\$0.0600	\$0.0600	\$0.0600	0.00%
\$ 25,000 deductible	\$0.0656	\$0.0656	\$0.0656	\$0.0500	\$0.0500	\$0.0500	0.00%
\$ 50,000 deductible	\$0.0600	\$0.0600	\$0.0600	\$0.0425	\$0.0425	\$0.0425	0.00%
\$100,000 deductible	\$0.0550	\$0.0550	\$0.0550	\$0.0375	\$0.0375	\$0.0375	0.00%
\$250,000 deductible		\$0.0510	\$0.0510	\$0.0340	\$0.0340	\$0.0340	0.00%
Inland Marine (per \$100 of insurance)							
Computer Equipment (\$100 min prem 1st yr of new business)							
\$1,000 deductible	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	0.00%
\$ 500 deductible	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	0.00%
\$ 250 deductible	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	0.00%
\$ 100 deductible	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	0.00%
Fine Arts (\$100 min prem 1st yr of new business)							
\$1,000 deductible - owned exhibits	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	0.00%
\$1,000 deductible - non-owned exhibits (blanket limit)	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	0.00%
\$ 500 deductible - owned exhibits	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	0.00%
\$ 500 deductible - non-owned exhibits (blanket limit)	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	0.00%
Contractors' Equipment (\$250 min prem 1st yr of new business)							
\$2,500 deductible	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	0.00%
\$1,000 deductible	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	0.00%
\$ 500 deductible	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	0.00%
Musical Instruments (\$100 min prem 1st yr of new business)							
\$1,000 deductible	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	0.00%
\$ 500 deductible	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	0.00%
Scoreboards (\$100 min prem 1st yr of new business)							
\$1,000 deductible	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	0.00%
\$ 500 deductible	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	0.00%
Cameras/ATV (\$100 min prem 1st yr of new business)							
\$1,000 deductible	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	0.00%
\$ 500 deductible	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	0.00%
Radio & TV Towers (\$250 min prem 1st yr of new business)							
\$1,000 deductible	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90	0.00%
Miscellaneous Equipment (\$100 min prem 1st yr of new business)							
\$1,000 deductible	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	0.00%
\$ 500 deductible	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	0.00%
Garagekeepers (average premium)	\$826.87	\$826.87	\$826.87	\$826.87	\$826.87	\$826.87	0.00%
Consulting Services Fee Schedule - per hour							
Claims Consulting	\$87.50	\$87.50	\$87.50	\$87.50	\$ 100.00	\$ 100.00	0.00%
Underwriting Consulting	\$87.50	\$87.50	\$87.50	\$87.50	\$ 100.00	\$100.00	0.00%
Other	\$87.50	\$87.50	\$87.50	\$87.50	\$ 100.00	\$100.00	0.00%
Non-Insured Tort Claims			\$55.00	\$55.00	\$55.00	\$55.00	0.00%
Billbacks	Varies	Varies	Varies	Varies	Varies	Varies	N/A

Six-Year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
CENTRAL MAIL
FOR FISCAL YEAR 2008**

<u>Rate</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Computer labels						
First 1,000	Discontinued	N/A	N/A	N/A	N/A	N/A
Additional 1000s	Discontinued	N/A	N/A	N/A	N/A	N/A
Bulking -- Per piece						
	Discontinued	N/A	N/A	N/A	N/A	N/A
Sacking/labeling						
First 1,000	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Each additional piece	\$0.02	\$0.02	\$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						
	Discontinued	N/A	N/A	N/A	N/A	N/A
Warrants -- Per thousand						
Self mailer	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
Double Postcards	N/A	N/A	\$9.00	\$9.00	\$9.00	\$9.00
Traditional inserting						
1 insert						
First 1,000	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Additional 1,000s	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
2 inserts						
First 1,000	\$29.00	\$29.00	\$29.00	\$29.00	\$29.00	\$29.00
Additional 1,000s	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00
3 inserts						
First 1,000	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00	\$33.00
Additional 1,000s	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
4 inserts						
First 1,000	\$36.50	\$36.50	\$36.50	\$36.50	\$36.50	\$36.50
Additional 1,000s	\$21.00	\$21.00	\$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	\$23.00	\$23.00	\$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	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00
Match inserting						
Set-up	N/A	N/A	N/A	\$40.00	\$40.00	\$40.00
Inserting fee (per thousand) -- 2 inserts	N/A	N/A	N/A	\$25.00	\$25.00	\$25.00
Inserting fee (per thousand) -- 3 inserts	N/A	N/A	N/A	\$28.00	\$28.00	\$28.00
Sorting and Bar-coding -- Per piece						
Scheduled runs	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020
Small runs (metered)*	\$0.047	\$0.047	\$0.047	\$0.047	\$0.047	\$0.039
Double postcard sort	N/A	N/A	N/A	\$0.025	\$0.025	\$0.025
Postage handling fee						
	3.00%	3.00%	3.00%	3.25%	3.25%	3.25%
House/Senate monthly delivery - each body	\$0	\$0	\$0	\$100	\$100	\$100
Ink-jet addressing						
Set-up	\$23.00	\$23.00	\$23.00	\$23.00	\$23.00	\$23.00
Data import	\$28.00	\$28.00	\$28.00	\$28.00	\$28.00	\$28.00
National Change of Address (up to 13,000)	N/A	N/A	N/A	\$38.00	\$38.00	\$38.00
NCOA - 13,001 - 50,000 (Per thousand)	N/A	N/A	N/A	\$2.90	\$2.90	\$2.90
NCOA - 50,001 - 100,000 (Per thousand)	N/A	N/A	N/A	\$2.40	\$2.40	\$2.40
NCOA - More than 100,001 (Per thousand)	N/A	N/A	N/A	\$1.85	\$1.85	\$1.85
Addressing (zip+4 standard) -- Per thousand	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50
Addressing -- Per thousand	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50
Bulking -- Per piece	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
Pre-sorting -- Per piece	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02
Custom features - Per thousand	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Tabbing Set-up	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Tabs -- Per tab	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Permit filing						
Use of state permit #171	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Shop rate (previously called Hand Work)						
	N/A	N/A	\$36.75	\$36.75	\$36.75	\$36.75
Folding						
Simple - Per thousand	N/A	N/A	\$6.00	\$6.00	\$6.00	\$6.00
Complex - Per thousand	N/A	N/A	\$12.00	\$12.00	\$12.00	\$12.00

*Metered bar-code runs are set by the USPS and are subject to change.

**On rare occasion, 1 1/2 times the billing rate may be assessed for rush overtime jobs.

Six-Year Rate Comparison

MINNESOTA DEPARTMENT OF ADMINISTRATION
State Register - Bookstore
 FOR FISCAL YEAR 2008

<u>Rate</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Billable page rate	\$131	\$144	\$144	\$144	\$144	\$144
Annual subscription (<i>State Register</i> only via mail)	\$160	\$160	Discontinued	N/A	N/A	N/A
Annual subscription (<i>State Register</i> only via e-mail)	\$180	\$180	\$180	\$180	\$180	\$180
Annual subscription (<i>Solicitation Announcements</i> via mail)	\$135	\$135	Discontinued	N/A	N/A	N/A
Annual subscription (<i>Solicitation Announcements</i> via fax)	\$150	\$150	Discontinued	N/A	N/A	N/A
Trial subscription (1) (13 weeks)	Discontinued	N/A	N/A	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
Categorized Rates

Fleet Services

Long-term Rentals

	Rate	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	% Change
Automobiles								
Sub-compact	Fixed	225	233	247	258	267	276	3.49%
	Mileage	0.079	0.081	0.086	0.090	0.093	0.097	3.50%
Compact	Fixed	259	268	284	297	307	318	3.37%
	Mileage	0.079	0.081	0.086	0.090	0.093	0.097	3.50%
Intermediate	Fixed	282	292	310	324	335	347	3.40%
	Mileage	0.101	0.105	0.111	0.116	0.120	0.124	3.50%
Int. Wagon	Fixed	287	297	315	329	341	353	3.65%
	Mileage	0.101	0.105	0.111	0.116	0.120	0.124	3.50%
Full Size	Fixed	338	350	371	388	402	416	3.61%
	Mileage	0.124	0.128	0.136	0.142	0.147	0.152	3.50%
Police	Fixed	360	373	395	413	427	442	3.39%
	Mileage	0.169	0.174	0.185	0.193	0.200	0.207	3.50%
Specialty Vehicles								
Mini-van	Fixed	294	304	322	336	348	360	3.57%
	Mileage	0.124	0.128	0.136	0.142	0.147	0.152	3.50%
Cargo Van	Fixed	335	347	368	385	398	412	3.38%
	Mileage	0.169	0.174	0.185	0.193	0.200	0.207	3.50%
Pass. Van	Fixed	367	380	403	421	436	451	3.56%
	Mileage	0.225	0.233	0.247	0.258	0.267	0.276	3.50%
Spec. Van	Fixed	449	465	493	515	533	552	3.50%
	Mileage	0.202	0.209	0.222	0.232	0.240	0.248	3.50%
Jeep	Fixed	367	380	403	421	436	451	3.56%
	Mileage	0.191	0.198	0.210	0.219	0.227	0.235	3.50%
Carry-all	Fixed	439	454	481	503	521	539	3.58%
	Mileage	0.225	0.233	0.247	0.258	0.267	0.276	3.50%
Light Trucks								
Pickup 431	Fixed	311	322	341	356	368	381	3.37%
	Mileage	0.169	0.174	0.185	0.193	0.200	0.207	3.50%
Pickup 531	Fixed	338	350	371	388	402	416	3.61%
	Mileage	0.213	0.221	0.234	0.245	0.253	0.262	3.50%
Pickup 731	Fixed	367	380	403	421	436	451	3.56%
	Mileage	0.213	0.221	0.234	0.245	0.253	0.262	3.50%
Pickup 931	Fixed	394	408	432	451	467	483	3.55%
	Mileage	0.236	0.244	0.259	0.271	0.280	0.290	3.50%

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.

Note: This chart does not include the 10 cent per gallon credit for the use of E85 fuel.

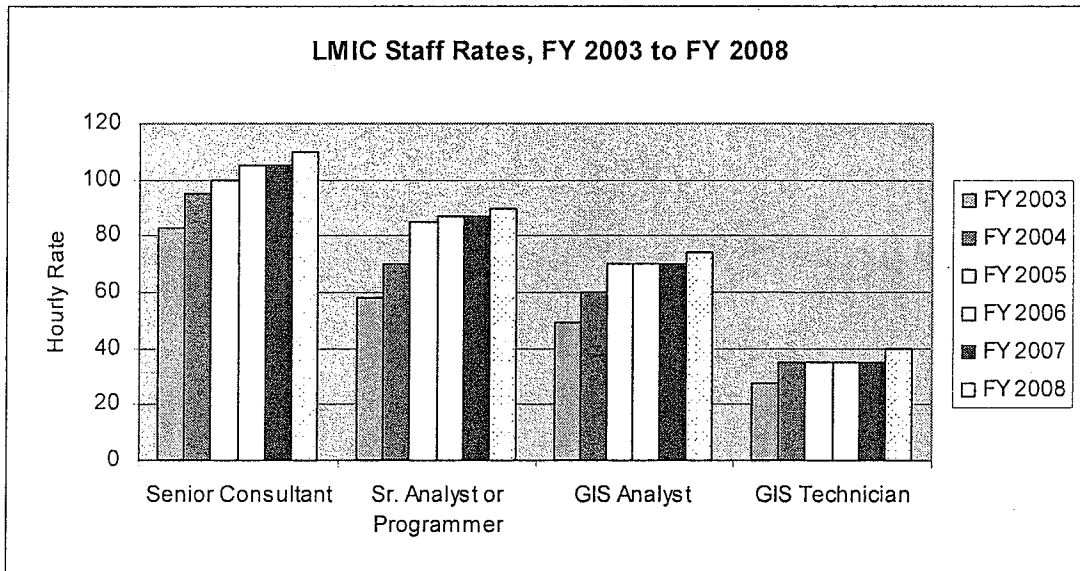
Six-Year Rate Comparisons

LMIC's rates from FY03 through FY07 are shown below, along with proposed rates for FY08. Rates shown for FY03 had been unchanged from FY 1995 through FY03. There was no rate increase in FY07. The weighted increase for all rates proposed for FY08 is 5.3%.

LMIC Rates from FY 2002 through FY 2007

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Senior Consultant	82.68	95.00	100.00	105.00	105.00	110.00
Sr. Analyst/Programmer	58.24	70.00	85.00	87.00	87.00	90.00
GIS Analyst	49.18	60.00	70.00	70.00	70.00	74.00
GIS Technician	27.84	35.00	35.00	35.00	35.00	40.00

In addition to labor charges, special supplies, equipment or services purchased by LMIC on behalf of a client to complete a project are billed at cost.



Schedule of Outstanding Loans

LMIC currently has no outstanding loans.

Six Year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
Office Supply Connection
FOR FISCAL YEAR 2008**

<u>Rate (1)</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2006 Mid-Year 28.50%</u>	<u>FY 2007</u>	<u>FY 2008</u>
Stock Product (OSC cost +)	28.50%	28.50%	28.50%	28.50%	28.50%	28.50%	28.50%
Non-stock (Basic Office Supplies) (Discount from list)	46%	48%	46%	46%	N/A - see below	N/A - see below	N/A - see below
Non-stock (Small Electrical) (Discount from list)	20%	25%	20%	20%	N/A - see below	N/A - see below	N/A - see below
Non-stock (Miscellaneous items) (Discount from list)	10%	15%	10%	10%	N/A - see below	N/A - see below	N/A - see below
Non-stock (Furniture, Appliances, Special order items) (Discount from list)	5%	5%	5%	5%	N/A - see below	N/A - see below	N/A - see below
Non-stock First Choice inventory					OSC Cost + 25%	OSC Cost + 25%	OSC Cost + 25%
Non-stock Office Express inventory					OSC Cost + 25%	OSC Cost + 25%	OSC Cost + 25%
Non-stock Wholesale catalog inventory					List - 5%	List - 5%	List - 5%

Note.

(1) 1 percent web discount discontinued effective with FY06 mid-year rate proposal.

Six Year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
SURPLUS SERVICES FUND 941
FOR FISCAL YEAR 2008**

Rate	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Auction Admin. Fee (Metro/Online)	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%	1%	1%	1%	1%
State Surplus Property Fee	Various	Various	Various	Various	Various	Various
Computer Wiping Fee	N/A	N/A	N/A	\$10.00	\$10.00	\$10.00
Daily Garage Sale Fee	Various	Various	Various	Various	Various	Various
Materials Storage Fee (Inside)	\$5.65*	\$5.65*	\$5.65*	\$5.65*	\$5.65*	\$5.85*
Materials Storage Fee (Outside)	\$25.00~	\$25.00~	\$25.00~	\$25.00~	\$25.00~	\$25.00~
Forklift Fee	\$28.75^	\$28.75^	\$28.75^	\$28.75^	\$28.75^	\$29.60^
Truck Fee	\$36.00^	\$36.00^	\$36.00^	\$36.00^	\$36.00^	\$43.00^
Warehouse Person Fee	\$21.00^	\$21.00^	\$21.00^	\$21.00^	\$21.00^	\$21.65^
Warehouse Supervisor Fee	\$28.35^	\$28.35^	\$28.35^	\$28.35^	\$28.35^	\$29.20^
*Annual Sq. Ft. Cost						
~Vehicle Monthly						
^Hourly						

Six Year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
Management Analysis & Development
FOR FISCAL YEAR 2008**

Rate	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
MAD	98	98	103	115	120	125

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

Rates for work provided by a third party contracted through MAD will be charged at cost plus a contract management fee.

Rates for open enrollment and courses offered at client sites are based on actual costs and benchmarking for comparable courses offered elsewhere.