



February 15, 2017

The Honorable Jeremy Miller, Chair
Senate Jobs and Economic Growth
Finance Committee
3107 Minnesota Senate Building
Saint Paul, MN 55155

The Honorable Bobby Champion, Ranking Member
Senate Jobs and Economic Growth
Finance Committee
2303 Minnesota Senate Building
Saint Paul, MN 55155

The Honorable Pat Garofalo, Chair
Job Growth and Energy Affordability
Policy and Finance Committee
485 State Office Building
Saint Paul, MN 55155

The Honorable Karen Clark, Co-Lead
Job Growth and Energy Affordability
Policy and Finance Committee
273 State Office Building
Saint Paul, MN 55155

The Honorable Tim Mahoney, Co-Lead
Job Growth and Energy Affordability
Policy and Finance Committee
345 State Office Building
Saint Paul, MN 55155

The Honorable Jean Wagenius, Co-Lead
Job Growth and Energy Affordability
Policy and Finance Committee
251 State Office Building
Saint 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,

A handwritten signature in black ink that reads 'Matthew J. Massman'.

Commissioner Matt Massman
Minnesota Department of Administration
Attachment

CC: Legislative Reference Library (2)

Fiscal Year 2016

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

Value of Contracts for Specified Services

Service	UNSPSC	Total Spent	DEED/DHS Provider Total	DEED/DHS Provider %
Janitorial Services* Cleaning Services, Building/Domestic Maintenance	76111501	\$1,175,723	\$280,310	23.8%
Document Imaging and Scanning Imaging Services/Scanning Services	81112005	\$177,285	\$121,493	68.5%
Document Shredding Destruction Services, Business Records	80161508	\$143,197	\$55,846	39.0%
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). A review of the SWIFT data has revealed issues with incorrectly coded purchases.

The Office of State Procurement (OSP) analyzed over 11,000 line items 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 the Department of Administration's best estimate.

*This data excludes services performed for MnDOT by Greenview Inc., a company which provides "employment of needy, elderly persons" pursuant to Minn. Stat. § 160.282. A decrease in spending on janitorial services compared to recent years was due in large part to a lack of federal funding for services in the Department of Military Affairs.

** The unknown expenditure on mailing, collating, and sorting services 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.