

A bill for an act
relating to state government; requiring the commissioner of administration to
issue a request for proposals and enter into a contract for strategic sourcing
consulting services; appropriating money.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **STRATEGIC SOURCING REQUEST FOR PROPOSALS.**

Subdivision 1. **Request for proposals.** By July 1, 2011, the commissioner
of administration shall issue a request for proposals for a contract to provide
recommendations for efficiencies in strategic sourcing to the commissioner. For the
purposes of this section, "strategic sourcing" has the meaning given in Minnesota Statutes,
section 16C.02, subdivision 20. The request for proposals shall require the vendor to
provide recommendations for improvements to methods used by the commissioner
to analyze and reduce spending on goods and services, including, but not limited to,
spend analysis, product standardization, contract consolidation, negotiations, multiple
jurisdiction purchasing alliances, reverse and forward auctions, life-cycle costing, and
other techniques.

Subd. 2. **Proof of concept phase.** The request for proposal shall require the selected
vendor, at no cost to the state, to begin work on the contract by assisting the commissioner
in implementing its proposed solution on selected state procurement processes to
demonstrate the savings provided by the recommendations. The system provided by the
vendor must be capable of application to the state procurement system.

Subd. 3. **Full implementation and payment.** The request for proposal must require
the state to implement the recommendations provided by the vendor in the entire state
procurement system if the work done under the requirements of subdivision 2 provides

2.1 material savings to the state. After the full implementation of the system provided by the
2.2 vendor, the vendor shall be paid by the state from the savings attributable to the work done
2.3 by the vendor, according to the terms and performance measures negotiated in the contract.

2.4 Subd. 4. **Selection of vendor.** The commissioner of administration may select a
2.5 vendor from the responses to the request for proposal by September 1, 2011.

2.6 Subd. 5. **Progress report.** The commissioner shall provide a report describing the
2.7 progress made under this section to the governor and the chairs and ranking minority
2.8 members of the legislative committees with jurisdiction over the commissioner of
2.9 administration by January 15, 2012.

2.10 Sec. 2. **APPROPRIATION.**

2.11 \$220,000 in fiscal year 2012 and \$213,000 in fiscal year 2013 is appropriated from
2.12 the general fund to the commissioner of administration for the purposes of section 1.