

CHAPTER 16B

COMMISSIONER OF ADMINISTRATION

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16B.06 CONTRACT MANAGEMENT AND REVIEW.

[For text of subs 1 to 3a, see M.S.1986]

Subd. 4. **Subject to audit.** A contract or any disbursement of public funds to a provider of services or a grantee, made by or under the supervision of the commissioner, an agency, or any county or unit of local government shall include, expressly or impliedly, an audit clause that provides that the books, records, documents, and accounting procedures and practices of the contractor or other party, relevant to the contract or transaction are subject to examination by the contracting agency, and either the legislative auditor or the state auditor as appropriate.

[For text of subd 5, see M.S.1986]

History: 1987 c 365 s 5

16B.08 BIDS NOT REQUIRED.

[For text of subs 1 and 2, see M.S.1986]

Subd. 3. **Auction in lieu of bids.** The commissioner, in lieu of advertising for bids, may sell buildings and other personal property owned by the state and not needed for public purposes at public auction to the highest responsible bidder. A sale under this subdivision may not be made until publication of notice of the sale in a newspaper of general circulation in the area where the property is located and any other advertising the commissioner directs. Any of the property may be withdrawn from the sale prior to the completion of the sale unless the auction has been announced to be without reserve. If the sale is made at public auction a duly licensed auctioneer must be retained to conduct the sale. The auctioneer's fees and other administrative costs of the auction must be paid from the proceeds from which an amount sufficient to pay them is appropriated.

[For text of subs 4 to 6, see M.S.1986]

Subd. 7. **Specific purchases.** (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

- (1) merchandise for resale at state park refectories or facility operations;
- (2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;
- (3) meat for other state institutions from the vocational school maintained at Pipestone by independent school district No. 583; and
- (4) furniture from the Minnesota correctional facilities.

(b) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

- (1) the hospital's governing authority authorizes the arrangement;
- (2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and
- (3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

History: 1987 c 365 s 6,7

16B.09 CONTRACTS AND PURCHASES, AWARD.

Subdivision 1. **Lowest responsible bidder.** All state contracts and purchases made by or under the supervision of the commissioner or an agency for which competitive bids are required must be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids. The commissioner may decide which is the lowest responsible bidder for all purchases and may use the principles of life cycle costing, where appropriate, in determining the lowest overall bid. As to contracts other than for purchases, the head of the interested agency shall make the decision, subject to the approval of the commissioner. Any or all bids may be rejected. In a case where competitive bids are required and where all bids are rejected, new bids, if solicited, must be called for as in the first instance, unless otherwise provided by law.

[For text of subs 2 to 5, see M.S.1986]

History: 1987 c 365 s 8

16B.16 ENERGY EFFICIENCY INSTALLMENT PURCHASES.

Subdivision 1. **Contract conditions.** (a) The commissioner may contract to purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of a state building or facility if:

- (1) the term of the contract does not exceed ten years;
- (2) the entire cost of the contract is a percentage of the resultant savings in energy costs;
- (3) the contract for purchase is competitive;
- (4) the commissioner has determined that the contract bidder is a responsible bidder under rules adopted by the commissioner, has adequately performed all previous contracts with the state, and has either established a record of promptly paying all its suppliers and subcontractors or has made secure provisions for doing so in connection with the current contract for goods delivered and services rendered;
- (5) the contract bidder can finance or obtain financing for the performance of the contract without state assistance or guarantee; and
- (6) the state may unilaterally cancel the agreement if the legislature fails to appropriate funds to continue the contract or if the contractor at any time during the term of the contract fails to provide or maintain the equipment to provide the services, or otherwise to meet specifications for performance.

The commissioner may spend money appropriated for energy costs in payment of a contract under this section.

(b) For purposes of clause (a), "contract bidder" means a sole proprietorship, firm, corporation, or other business entity submitting a bid or, if the entity submitting the

bid is a new enterprise, a person having a ten percent or greater financial interest in the entity who has or has had a ten percent or greater financial interest in any other entity that has entered into past contracts with the state or other purchasers.

[For text of subd 2, see M.S.1986]

History: 1987 c 77 s 1

16B.19 DESIGNATION OF PROCUREMENTS FROM SMALL BUSINESSES.

[For text of subds 1 to 5, see M.S.1986]

Subd. 6. **Contracts in excess of \$200,000; set-aside.** The commissioner as a condition of awarding state procurements for construction contracts or approving contracts for consultant, professional, or technical services pursuant to section 16B.17 in excess of \$200,000 shall require that at least ten percent of the contract award to a prime contractor be subcontracted to a business owned and operated by a socially or economically disadvantaged person or persons or that at least ten percent of the contract award be expended in purchasing materials or supplies from said person or persons. If there is no socially or economically disadvantaged person or persons or other small businesses able to perform the subcontract or to provide the supplies or materials, the construction contract or contract for consultant, professional, or technical services may be awarded notwithstanding the ten percent requirement provided that the ten percent requirement is made up in other such contracts awarded or to be awarded by the same agency. Any subcontracting or purchasing of supplies and materials pursuant to this subdivision may not be included in determining the total amount of awards required by subdivisions 1, 2, and 5. In the event small businesses owned and operated by socially and economically disadvantaged persons are unable to perform ten percent of the prime contract award, the commissioner shall require that other small businesses perform at least ten percent of the prime contract award. The commissioner may determine that small businesses owned and operated by socially and economically disadvantaged persons are unable to perform at least ten percent of the prime contract award prior to the advertising for bids. Each construction contractor bidding on a project over \$200,000 shall submit with the bid a list of the businesses owned and operated by socially or economically disadvantaged persons that are proposed to be utilized on the project with a statement indicating the portion of the total bid to be performed by each business. The commissioner shall reject any bid to which this subdivision applies that does not contain this information. Prime contractors receiving construction contract awards in excess of \$200,000 shall furnish to the commissioner the name of each business owned and operated by a socially or economically disadvantaged person or persons or other small business that is performing work or supplying supplies and materials on the prime contract and the dollar amount of the work performed or to be performed or the supplies and materials to be supplied. Once the contract has been awarded, the prime contractor must use the socially and economically disadvantaged subcontractors proposed to be utilized on the project, unless the subcontractors are unable to perform in accordance with the award.

This subdivision does not apply to prime contractors that are themselves small businesses owned and operated by socially or economically disadvantaged persons, as duly certified pursuant to section 16B.22.

[For text of subds 8 to 10, see M.S.1986]

History: 1987 c 365 s 9

16B.20 ENCOURAGEMENT OF PARTICIPATION; ADVISORY COUNCIL.

[For text of subd 1, see M.S.1986]

Subd. 2. **Advisory council.** A small business procurement advisory council is created. The council consists of 13 members appointed by the commissioner of

administration. A chair of the advisory council shall be elected from among the members. The appointments are subject to the appointments program provided by section 15.0597. The terms and removal of members are as provided in section 15.059, but members do not receive per diem.

[For text of subd 3, see M.S.1986]

History: 1987 c 404 s 79

16B.24 GENERAL AUTHORITY.

[For text of subs 1 to 4, see M.S.1986]

Subd. 5. Renting out state property. (a) **Authority.** The commissioner may rent out state property, real or personal, that is not needed for public use, if the rental is not otherwise provided for or prohibited by law. The property may not be rented out for more than five years at a time without the approval of the state executive council and may never be rented out for more than 25 years.

(b) **Restrictions.** Paragraph (a) does not apply to state trust fund lands, other state lands under the jurisdiction of the department of natural resources, lands forfeited for delinquent taxes, lands acquired under section 298.22, or lands acquired under section 41.56 which are under the jurisdiction of the department of agriculture.

(c) **Fort Snelling Chapel; rental.** The Fort Snelling Chapel, located within the boundaries of Fort Snelling State Park, is available for use only on payment of a rental fee. The commissioner shall establish rental fees for both public and private use. The rental fee for private use by an organization or individual must reflect the reasonable value of equivalent rental space. Rental fees collected under this section must be deposited in the general fund.

(d) **Rental of living accommodations.** The commissioner shall establish rental rates for all living accommodations provided by the state for its employees. Money collected as rent by state agencies pursuant to this paragraph must be deposited in the state treasury and credited to the general fund.

(e) **Lease of space in certain state buildings to state agencies.** The commissioner may lease portions of the state owned buildings in the capitol complex, the capitol square building, the health building, and the building at 1246 University Avenue, St. Paul, Minnesota, to state agencies and charge rent on the basis of space occupied. Notwithstanding any law to the contrary, all money collected as rent pursuant to the terms of this section shall be deposited in the state treasury. Money collected as rent to recover the depreciation cost of a building built with state dedicated funds shall be credited to the dedicated fund which funded the original acquisition or construction. All other money received shall be credited to the general services revolving fund.

[For text of subs 6 to 8, see M.S.1986]

History: 1987 c 98 s 1

16B.29 STATE SURPLUS PROPERTY; DISPOSAL.

The commissioner may do any of the following to dispose of supplies, materials, and equipment which are surplus, obsolete, or unused: (1) transfer it to or between state agencies; (2) transfer it to local government units in Minnesota and other institutions and organizations in Minnesota authorized by federal law to accept surplus property and charge a fee to cover expenses incurred by the commissioner in making the property available to these units; or (3) sell it. The commissioner must make proper adjustments in the accounts and appropriations of the agencies concerned. When the commissioner sells the supplies, materials and equipment, the proceeds of the sale are appropriated to the agency for whose account the sale was made, to be used and expended by the agency to purchase similar needed supplies, materials, and equipment.

History: 1987 c 365 s 10

16B.39 PROGRAMS FOR STATE EMPLOYEES.

Subdivision 1. [Repealed, 1987 c 365 s 25]

Subd. 1a. **Endowment fund.** The commissioner of administration may establish an endowment fund to reward state agencies and their employees for improving productivity and service quality. The commissioner shall use gift money to establish the fund. The interest earnings are appropriated to the commissioner to make agency and employee awards. The commissioner shall establish an advisory task force of state employees and private individuals to recommend criteria for granting rewards and to recommend award recipients.

[For text of subd 2, see M.S.1986]

History: 1987 c 365 s 11

16B.405 SOFTWARE SALES.

Subdivision 1. **Authorization.** To offset the department of administration's software development costs through the sale of products developed, the commissioner may sell or license computer software products or services developed by the commissioner or custom developed by a vendor, through whatever sales method the commissioner considers appropriate. Prices for the software products or services may be based on market considerations.

Subd. 2. **Software sale fund.** Proceeds of the sale or licensing of software products or services by the commissioner must be credited to the computer services revolving fund. If a state agency other than the department of administration has contributed to the development of software sold or licensed under this section, the commissioner may reimburse the agency by discounting computer services provided to that agency.

History: 1987 c 365 s 12

16B.41 STATE INFORMATION SYSTEMS MANAGEMENT OFFICE.

Subdivision 1. **Establishment and purpose.** An office of information systems management is created. The office shall develop and establish a policy and standards for state agencies to follow for the development, purchase, and training for information systems. The purpose of the office is to develop, promote, and coordinate a state technology, architecture, standards and guidelines, information needs analysis techniques, contracts for the purchase of equipment and services, and training of state agency personnel on these issues.

Subd. 2. **Responsibilities.** The office has the following duties:

(a) The office must develop and establish a state information architecture to ensure that further state agency development and purchase of information systems equipment and software is directed in such a manner that individual agency information systems complement and do not needlessly duplicate or needlessly conflict with the systems of other agencies. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. The commissioner of administration must establish interim standards and guidelines by August 1, 1987. The office must establish permanent standards and guidelines by July 1, 1988. On January 1, 1988, and every six months thereafter, any state agency that has purchased information systems equipment or software in the past six months, or that is contemplating purchasing this equipment or software in the next six months, must report to the office and to the chairs of the house appropriations committee and the senate finance committee on how the purchases or proposed purchases comply with the applicable standards and guidelines.

(b) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's and the state's mission, requirements, and functions.

(c) Beginning July 1, 1988, the office must review and approve all agency requests for legislative appropriations for the development or purchase of information systems

equipment or software. Requests may not be included in the governor's budget submitted to the legislature, beginning with the budget submitted in January 1989, unless the office has approved the request.

(d) Each biennium the office must rank in order of priority agency requests for new appropriations for development or purchase of information systems equipment or software. The office must submit this ranking to the legislature at the same time, or no later than 14 days after, the governor submits the budget message to the legislature.

(e) Beginning July 1, 1989, the office must define, review, and approve major purchases of information systems equipment to (1) ensure that the equipment follows the standards and guidelines of the state information architecture; (2) ensure that the equipment is consistent with the information management principles adopted by the information policy council; (3) evaluate whether or not the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and (4) ensure the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency. The commissioner of finance may not allot funds appropriated for major purchases of information systems equipment until the office reviews and approves the proposed purchase.

(f) The office shall review the operation of information systems by state agencies and provide advice and assistance so that these systems are operated efficiently and continually meet the standards and guidelines established by the office.

Subd. 3. The office shall function as a division of the department of administration. The commissioner of administration shall appoint an interim office director and other interim staff and provide the necessary administrative support to the office. The employees and director shall serve in the unclassified service through June 30, 1988. On July 1, 1988, the employee positions established by this section, except the position of director, shall be placed in the classified service. The position of director shall remain in the unclassified service.

Subd. 4. **Advisory task force.** The commissioner must appoint a state information systems advisory task force to help develop and coordinate a state information architecture that is consistent with the information management direction developed by the information policy council, and make recommendations to the commissioner concerning the progress, direction, and needs of the state's information systems. The task force must include representatives of state agencies, the supreme court, higher education systems, librarians, and private industry. The task force must also have two members of the house of representatives appointed by the speaker of the house and two members of the senate appointed by the senate committee on committees. No more than one member from the house of representatives and one from the senate shall be chosen from the same political party. The task force expires and the terms, compensation, and removal of nonlegislative members are as provided in section 15.059.

History: 1987 c 404 s 80

16B.42 INTERGOVERNMENTAL INFORMATION SYSTEMS ADVISORY COUNCIL.

[For text of subs 1 to 3, see M.S.1986]

Subd. 4. **Funding.** Appropriations and other funds made available to the council for staff, operational expenses, and grants must be administered through the department of administration. Fees charged to local units of government for the administrative costs of the council and revenues derived from royalties, reimbursements, or other fees from software programs, systems, or technical services arising out of activities funded by current or prior state appropriations must be credited to an account in the special revenue fund and are appropriated to the council for the purposes enumerated in subdivision 2. General fund appropriations for the council may also be credited by the commissioner of administration to the account in the special revenue fund. The unencumbered balance of an appropriation for grants in the first year of a biennium does not cancel but is available for the second year of the biennium.

History: 1987 c 404 s 81

16B.481 FEES FOR TRAINING AND MAINTENANCE.

The commissioner may charge state agencies and political subdivisions a fee for the cost of energy conservation training and preventive maintenance programs. Fees collected by the commissioner must be deposited in the state treasury and are appropriated to the commissioner to pay the cost of the training and maintenance programs.

History: 1987 c 365 s 13

16B.51 AGENCY REPORTS.

Subdivision 1. **Supervision by commissioner.** The commissioner shall supervise and control the making and distribution of all reports and other publications of all kinds issued by the state and state agencies when not otherwise prescribed by law. The commissioner shall also prescribe the manner and form of issuing reports required by sections 8.08; 16A.50; 35.03; 139.08, subdivision 5; 256.01; 268.12, subdivision 2; 299C.18; and 360.015, subdivision 17.

[For text of subd 2, see M.S.1986]

Subd. 3. **Sale of publications.** The commissioner may sell official reports, documents, and other publications of all kinds, may delegate their sale to state agencies, and may establish facilities for their sale within the department of administration and elsewhere within the state service. The commissioner may remit a portion of the price of any publication to the agency producing the publication.

[For text of subds 4 and 5, see M.S.1986]

History: 1987 c 365 s 14; 1987 c 394 s 1

16B.531 TRAVEL SERVICES.

The commissioner may offer a centralized travel service to all state departments and agencies and may, in connection with that service, accept payments from travel agencies under contracts for the provision of travel services. The payments must be deposited in the motor pool revolving account established by section 16B.54, subdivision 8, and must be used for the expenses of managing the centralized travel service. Revenues in excess of the management costs of the centralized service must be returned to the general fund.

History: 1987 c 365 s 15

16B.60 DEFINITIONS, STATE BUILDING CODE.

[For text of subds 1 and 2, see M.S.1986]

Subd. 3. **Municipality.** "Municipality" means a city, county, or town meeting the requirements of section 368.01, subdivision 1, the University of Minnesota, or the state for public buildings.

[For text of subds 4 and 5, see M.S.1986]

Subd. 6. **Public building.** "Public building" means a building and its grounds, the cost of which is paid for by the state, a state agency, or a school district.

[For text of subds 7 and 8, see M.S.1986]

History: 1987 c 387 s 1,2

16B.61 GENERAL POWERS OF COMMISSIONER; STATE BUILDING CODE.

[For text of subd 1, see M.S.1986]

Subd. 1a. **Administration by commissioner.** The commissioner shall administer and enforce the state building code as a municipality with respect to public buildings

in the state. The commissioner shall establish appropriate permit, plan review, and inspection fees for public buildings. Fees and surcharges for public buildings must be remitted to the commissioner, who shall deposit them in the state treasury for credit to the special revenue fund.

Municipalities other than the state having a contractual agreement with the commissioner for code administration and enforcement service for public buildings shall charge their customary fees, including surcharge, to be paid directly to the contractual jurisdiction by the applicant seeking authorization to construct a public building. The commissioner shall contract with a municipality other than the state for plan review, code administration, and code enforcement service for public buildings in the contractual jurisdiction if the building officials of the municipality meet the requirements of section 16B.65 and wish to provide those services and if the commissioner determines that the municipality has enough adequately trained and qualified building inspectors to provide those services for the construction project.

[For text of subd 2, see M.S.1986]

Subd. 3. Special requirements. (a) Space for commuter vans. The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) Smoke detection devices. The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) Doors in nursing homes and hospitals. The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) Mined underground space. Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(f) No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

[For text of subds 4 and 5, see M.S.1986]

History: 1987 c 291 s 192; 1987 c 387 s 3

16B.67 APPEALS.

A person aggrieved by the final decision of any municipality as to the application of the code, including any rules adopted under sections 471.465 to 471.469, may, within 180 days of the decision, appeal to the commissioner. Appellant shall submit a fee of \$20, payable to the commissioner, with the request for appeal. The final decision of the involved municipality is subject to review de novo by the commissioner or a designee. The commissioner shall submit written findings to the parties. Any person aggrieved by a ruling of the commissioner may appeal in accordance with chapter 14. For the purpose of this section "any person aggrieved" includes the council on disability. No fee shall be required when the council on disability is the appellant.

History: 1987 c 354 s 4

16B.71 PERMIT FEES, TO WHOM APPLICABLE.

Municipal building officials shall administer and enforce the state building code with respect to all subject structures constructed within their jurisdiction, including all buildings constructed by municipalities other than the state, as defined in section 16B.60, and the University of Minnesota. These governmental bodies shall pay the building permit fees and surcharges that the inspecting municipality customarily imposes for its administration and enforcement of the code.

History: 1987 c 387 s 4

16B.86 PRODUCTIVITY LOAN ACCOUNT.

The productivity loan account is a special account in the state treasury. Money in the account is appropriated to the commissioner of administration to make loans to finance agency projects that will result in either reduced operating costs or increased revenues, or both, for a state agency.

History: 1987 c 365 s 16

PRODUCTIVITY LOANS**16B.87 AWARD AND REPAYMENT OF PRODUCTIVITY LOANS.**

Subdivision 1. **Committee.** The productivity loan committee consists of the commissioners of administration, finance, revenue, and employee relations, and the state planning director. The commissioner of administration serves as chair of the committee. The members serve without compensation or reimbursement for expenses.

Subd. 2. **Award and terms of loans.** An agency shall apply for a loan on a form provided by the commissioner of administration. The committee shall review applications for loans and shall award a loan based upon criteria adopted by the committee. The committee shall determine the amount, interest, and other terms of the loan. The time for repayment of a loan may not exceed five years.

Subd. 3. **Repayment.** An agency receiving a loan under this section shall repay the loan according to the terms of the loan agreement. The principal and interest must be paid to the commissioner of administration who shall deposit it in the productivity loan fund.

Subd. 4. **Report.** The commissioner of administration shall submit a report to the governor and the chairs of the house appropriations and senate finance committees by January 15 each year, reporting the amount and conditions of any loan and other matters concerning the operation of the committee.

History: 1987 c 365 s 17