

1.1 moves to amend H.F. No. 577, the delete everything amendment
1.2 (A11-0103), as follows:

1.3 Page 52, after line 21, insert:

1.4 "Sec. 60. **STRATEGIC SOURCING REQUEST FOR PROPOSALS.**

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

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

1.20 Subd. 3. Full implementation and payment. The request for proposal must require
1.21 the state to implement the recommendations provided by the vendor in the entire state
1.22 procurement system if the work done under the requirements of subdivision 2 provides
1.23 material savings to the state. After the full implementation of the system provided by the
1.24 vendor, the vendor shall be paid by the state from the savings attributable to the work done
1.25 by the vendor, according to the terms and performance measures negotiated in the contract.

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

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

2.7 Renumber the sections in sequence and correct the internal references

2.8 Amend the title accordingly