SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 907

1.1   A bill for an act

1.2   relating to state government; requiring certain state agencies to enter

1.3   into contracts to provide consulting services for improvements to certain

1.4   state-operated systems and services.

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

1.6   Section 1. **STATE BUILDING EFFICIENCY.**

1.7   Subdivision 1. **Request for proposals.** By July 1, 2011, the commissioner

1.8   of administration shall issue a request for proposals for a contract to provide

1.9   recommendations for efficiencies in state building management to the commissioner. The

1.10   request for proposals shall require the vendor to provide a system that will overlay existing

1.11   building controls and instrumentation that influence energy consumption, including space,

1.12   equipment and system performance, facility operations, and facility maintenance. The

1.13   request for proposals shall require the vendor to provide a system that provides concurrent

1.14   building monitoring, energy consumption optimization, space utilization, and equipment

1.15   performance information.

1.16   Subd. 2. **Open platform system with data analytics.** The request for proposals

1.17   must require the vendor to provide: (1) an open platform system with the capability to

1.18   integrate and coordinate a variety of control systems, including their data, and the ability

1.19   to manage all instrumented state buildings and their control systems; and (2) a system that

1.20   uses data analytics to integrate corrective action notification and work order management.

1.21   Subd. 3. **Proof of concept phase.** The request for proposals shall require the

1.22   selected vendor, at no cost to the state, to begin work on the contract by implementing

1.23   its proposed system on one to three instrumented state buildings to demonstrate the

1.24   savings provided by the system. The system provided by the vendor must be capable of

2.1 application to all state-owned buildings. During this proof of concept phase, the vendor

2.2 and the state must agree on how savings during the full implementation phase will be

2.3 defined, measured, and verified, to ensure that the contract will provide the highest

2.4 possible return on investment to the state.

2.5   Subd. 4. **Full implementation and payment.** The request for proposal must

2.6 require the state to implement the system provided by the vendor in all instrumented

2.7 buildings owned by the state if the state and the vendor have agreed on how savings

2.8 will be defined, measured, and verified, and the work done under the requirements of

2.9 subdivision 3 provides material savings to the state. After the full implementation of the

2.10 system provided by the vendor, the vendor shall be paid by the state from the savings

2.11 attributable to the work done by the vendor, according to the terms and performance

2.12 measures negotiated in the contract.

2.13   Subd. 5. **Selection of vendor.** The commissioner of administration shall select a

2.14 vendor from the responses to the request for proposal by September 1, 2011.

2.15   Subd. 6. **Progress report.** The commissioner shall provide a report describing the

2.16 progress made under this section to the governor and the chairs and ranking minority

2.17 members of the legislative committees with jurisdiction over the commissioner of

2.18 administration by January 15, 2012. The report shall provide a dynamic scoring analysis

2.19 of the work described in the report.

2.20   Sec. 2. **FLEET MANAGEMENT IMPROVEMENTS.**

2.21   Subdivision 1. **Request for proposals.** By July 1, 2011, the commissioner of

2.22 administration shall issue a request for proposals to improve the procurement, allocation,

2.23 control, energy efficiency, maintenance, and in-service life of state vehicles. The request

2.24 for proposal shall require the vendor to provide a system for:

2.25   (1) a life-cycle solution for vehicle management, covering all stages from

2.26 procurement through disposal of state vehicles; and

2.27   (2) the integration of data analytics to provide vehicle tracking, usage, and proactive

2.28 maintenance management.

2.29   Subd. 2. **Proof of concept phase.** The request for proposals must specify that the

2.30 vendor, at no cost to the state, must implement its system in one vehicle maintenance

2.31 facility on a sample group of vehicles to demonstrate the cost-savings potential of the

2.32 recommendations. During this proof of concept phase, the vendor and the state must

2.33 agree on how savings during the full implementation phase will be defined, measured,

2.34 and verified, to ensure that the contract will provide the highest possible return on

2.35 investment to the state.

3.1 Subd. 3. **Full implementation and payment.** The request for proposal must require

3.2 the state to implement the recommendations provided by the vendor if the state and the

3.3 vendor have agreed on how savings will be defined, measured, and the work done under

3.4 the requirements of subdivision 2 provides material savings to the state. After the full

3.5 implementation of the system provided by the vendor, the vendor shall be paid by the state

3.6 from the savings attributable to the work done by the vendor, according to the terms and

3.7 performance measures negotiated in the contract.

3.8 Subd. 4. **Selection of vendor.** The commissioner of administration shall select a

3.9 vendor from the responses to the request for proposal by September 1, 2011.

3.10 Subd. 5. **Progress report.** The commissioner shall provide a report describing the

3.11 progress made under this section to the governor and the chairs and ranking minority

3.12 members of the legislative committees with jurisdiction over the commissioner of

3.13 administration by January 15, 2012. The report shall provide a dynamic scoring analysis

3.14 of the work described in the report.

3.15 Sec. 3. **TAX FRAUD PREVENTION AND DETECTION.**

3.16 Subdivision 1. **Request for proposals.** By July 1, 2011, the commissioner of

3.17 revenue shall issue a request for proposals to prevent and detect tax fraud and increase

3.18 delinquent tax revenue collection. The request for proposals shall require the vendor to

3.19 provide data analytics capabilities, including, but not limited to, predictive modeling

3.20 techniques and other forms of advanced analytics that will integrate into the current tax

3.21 processing system to detect compliance issues before tax return processing is completed,

3.22 and optimization algorithms that will assist the commissioner in maximizing revenues

3.23 collected with current levels of compliance staff.

3.24 Subd. 2. **Proof of concept phase.** The selected vendor, at no cost to the state, shall

3.25 implement its recommendations on a subset of data provided by the commissioner to

3.26 demonstrate the cost-savings potential of the recommendations.

3.27 Subd. 3. **Data confidentiality.** Data provided to the vendor by the commissioner for

3.28 the proof of concept phase must have personal identifiers masked or removed in order to

3.29 maintain confidentiality of information.

3.30 Subd. 4. **Full implementation phase.** The request for proposal must require the

3.31 state to implement the recommendations provided by the vendor if the work done under

3.32 the requirements of subdivision 2 provides material savings to the state. After the full

3.33 implementation of the system provided by the vendor, the vendor shall be paid by the state

3.34 from the savings attributable to the work done by the vendor, according to the terms and

3.35 performance measures negotiated in the contract.

4.1   Subd. 5. **Selection of vendor.** The commissioner of administration shall select a

4.2   vendor from the responses to the request for proposal by September 1, 2011.

4.3   Subd. 6. **Progress report.** The commissioner shall provide a report describing the

4.4   progress made under this section to the governor and the chairs and ranking minority

4.5   members of the legislative committees with jurisdiction over the commissioner of revenue

4.6   by January 15, 2012. The report shall provide a dynamic scoring analysis of the work

4.7   described in the report.

4.8   Sec. 4. **MEDICAID FRAUD PREVENTION AND DETECTION.**

4.9   Subdivision 1. **Request for proposals.** By July 1, 2011, the commissioner of human

4.10   services shall issue a request for proposals to prevent and detect Medicaid fraud and

4.11   mispayment. The request for proposals shall require the vendor to provide data analytics

4.12   capabilities, including, but not limited to, predictive modeling techniques and other forms

4.13   of advanced analytics that will integrate into the current claim processing system to detect

4.14   improper payments both before and after payments are made.

4.15   Subd. 2. **Proof of concept phase.** The selected vendor, at no cost to the state,

4.16   shall be required to implement its recommendations on a subset of data provided by the

4.17   commissioner to demonstrate the cost-savings potential of the solution.

4.18   Subd. 3. **Data confidentiality.** Data provided by the commissioner to the vendor

4.19   under this section must have personal identifiers masked or removed in order to maintain

4.20   confidentiality of information.

4.21   Subd. 4. **Full implementation phase.** The request for proposal must require the

4.22   commissioner to implement the recommendations provided by the vendor if the work done

4.23   under the requirements of subdivision 2 provides material savings to the state. After the

4.24   full implementation of the system provided by the vendor, the vendor shall be paid by

4.25   the state from the savings attributable to the work done by the vendor, according to the

4.26   terms and performance measures negotiated in the contract.

4.27   Subd. 5. **Selection of vendor.** The commissioner of human services shall select a

4.28   vendor from the responses to the request for proposal by September 1, 2011.

4.29   Subd. 6. **Progress report.** The commissioner shall provide a report describing the

4.30   progress made under this section to the governor and the chairs and ranking minority

4.31   members of the legislative committees with jurisdiction over the Department of Human

4.32   Services by January 15, 2012. The report shall provide a dynamic scoring analysis of

4.33   the work described in the report.