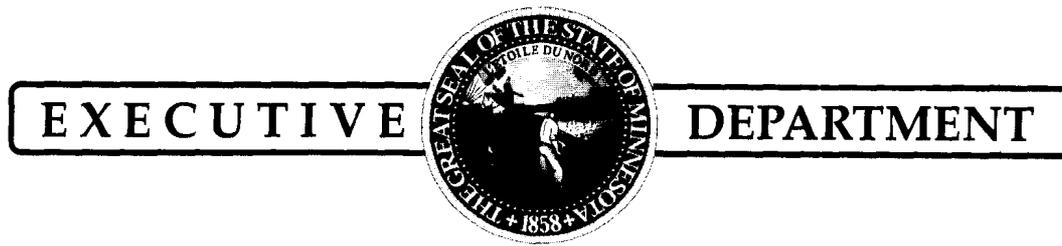


# STATE of MINNESOTA



**TIM PAWLNTY**  
**GOVERNOR**



**EXECUTIVE ORDER 04-02**

**PROVIDING DIRECTION TO STATE  
AGENCIES REGARDING STATE  
CONTRACTING PROCEDURES**

I, TIM PAWLNTY, GOVERNOR OF THE STATE OF MINNESOTA, by virtue of the authority vested in me by the Constitution and applicable statutes, do hereby issue this executive order:

WHEREAS, Minnesota state government annually purchases over a billion dollars worth of goods and services; and

WHEREAS, the Commissioner of Administration is responsible for implementing state contracting laws, policies, and procedures; and

WHEREAS, the Commissioner of Administration is required by law to award contracts based on best value which includes an evaluation of price, and may include other factors, including, but not limited to, environmental considerations, quality, and vendor performance; and

WHEREAS, Minnesotans are entitled to know how and where their state tax dollars are being spent, whether tax dollars are being spent on services provided by workers located in countries outside of the United States, as well as the economic costs or savings associated with use of foreign workers to provide services on behalf of the state; and

WHEREAS, state contracting that includes outsourcing work internationally presents complex issues regarding the short- and long-term detriments and benefits for our state and national economy, the efficient operation of state government, and the well-being of Minnesotans; and

WHEREAS, the Commissioner of Administration should consider the extent to which the use of workers located outside of the United States affects state contracted services, the quality of services, and the lives of workers both in the United States and abroad and should determine the appropriate extent to which these factors impact what is the best value in relation to the awarding of state contracts;

NOW, THEREFORE, I hereby order that:

1. Consistent with the Commissioner's responsibilities and authority under Minnesota Statutes Chapter 16C, the Commissioner of Administration shall develop and implement policies, procedures, and/or standards addressing the consideration of the use of workers in the United States to perform state contract services in determining the "best value" for awarding state contracts.
  2. In developing these policies and procedures, the Commissioner must consider the requirements of Minnesota's contracting laws, the best interests of the State of Minnesota and its citizens, as well as federal and international contracting requirements.
  3. Any other Commissioners, agencies, or employees of the executive branch who have, or have been, delegated authority in relation to awarding state contracts, shall work with the Commissioner of Administration to implement the procedures developed by the Commissioner of Administration and ensure consistency in state contract procedures.
  4. Consistent with state law, the Commissioner of Administration shall develop procedures to ensure that all vendors seeking to enter into any professional and technical services contracts, service contracts, or any other contract with the State of Minnesota or one of its agencies in which the provision of services is a significant part of the contract, disclose and certify:
    - a. The location by state and country where services under the contract will be performed;
    - b. Any subcontracting of services under the contract and the location by state and country where any subcontracted services will be performed; and
    - c. A certification that during the course of the state contract the country in which services are performed will not be changed, except with the written consent of the Commissioner of Administration.
  5. On or before December 31, 2004 and annually thereafter, the Commissioner of Administration will summarize and report to the Governor regarding the use of workers in foreign countries to provide services under state contracts, including information regarding:
    - a. The number and nature of vendor proposals that propose the use or subcontracting of workers in foreign countries to perform services under state contract;
    - b. The number and nature of contracts awarded to vendors that use or subcontract the use of workers in foreign countries to perform services under state contracts;
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- c. Any estimates or other conclusions that the Commissioner can reasonably draw regarding the comparative costs of contracts employing workers in the United States versus those using foreign workers.

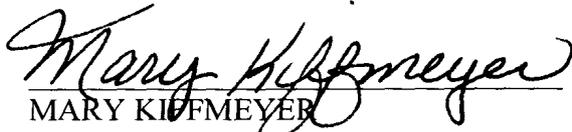
Pursuant to Minnesota Statutes 2002, section 4.035, subdivision 2, this Executive Order will be effective fifteen (15) days after publication in the State Register and filing with the Secretary of State and will remain in effect, in accordance with Minnesota Statutes 2002, section 4.035, subdivision 3.

IN TESTIMONY WHEREOF, I have set my hand this 24<sup>th</sup> day of March 2004.



TIM PAWLENTY  
Governor

Filed According to Law:



MARY KIEFMEYER  
Secretary of State