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Senate

State of Minnesota

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TO:

Sent Via Office Mail

It is of the utmost importance, that I call your attention to some issues that have been raised with regard to the Department of Administration's procurement processes and to seek clarity from the Department about its practices.

As you are aware, iDEAL Energies is a solar company that provides solar installations (design, equipment, construction, operation) and financing for its customers in Minnesota. iDEAL Energies focuses its business in servicing government entities, enabling schools and other municipal buildings to have access to solar energy and the savings associated with solar energy without these entities making any capital investment. Crucial to this partnership is iDEAL Energies' inclusion on the State's master contract list.

In 2018, IDEAL Energies was approved as a vendor on the Department of Administration's list. As you are most surely aware, inclusion on this list allows the State and also municipalities and other local government entities to use services without going through the competitive bidding process. iDEAL Energies relied on its inclusion on this list to provide services to its customers.

The Department of Administration excluded iDEAL Energies from its Contract renewal solicitation in the Spring of 2020, and that prior to this exclusion, the State failed to notify IDEAL Energies of bidding opportunities for projects, even though it was an authorized vendor.

Based on discussions I have had with iDEAL Energies, it appears that the Department has failed to communicate properly with iDEAL Energies on multiple occasions. Indeed, Department personnel would communicate with non-decision makers at iDEAL Energies, and iDEAL Energies would continually provide the correct contact information to Department staff to direct its communications. Despite this clearly documented direction to communicate only with iDEAL Energies' CEO and Braden Solum, its VP of Business Development, the Department still failed to communicate properly. This culminated in early 2020 when the Department decided to open the bidding process for its master contract and notified the companies on the then-current list of the process—except iDEAL Energies. And, the Department, in addition to using the email addresses

in the CERTS system, used other email addresses to communicate with the companies on the list—except iDEAL Energies.

Being informed that a Department staff member, who I understand is no longer with the Department, informally notified many vendors on the master contract list of the renewal process using email addresses he personally collected and did not notify iDEAL Energies. Moreover, when iDEAL Energies learned of its exclusion from the list, a Department staff member admitted that some vendors were informed by separate email while iDEAL Energies was not and that it would be five years before the bidding process would be re-opened. As you might imagine, such exclusion from the master contract list is detrimental to iDEAL Energies' business and appears to have questionable justification, at best.

It is my understanding that iDEAL Energies has been in contact with Department staff to resolve this issue, namely Anne Hunt and Doug Heeschen, and that despite initial conversations and promises to look into the issue, Department staff has been non-responsive.

As Chair of the Senate Finance Committee, it is troubling to hear that the Department of Administration may not be following mandatory procurement procedures, which are rooted in fairness to all who wish to do business with the State. It seems only appropriate to have a conversation about this issue to discuss the Department's procedures and efforts to re-open the process so that it can be inclusive of all contractors who wish to participate. Timing is of the essence.