



## **Anchor Demand Analysis for the Central Corridor Anchor Partnership**

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### **Project Background and Purpose**

The Central Corridor Anchor Partnership (CCAP), a group of healthcare and higher education institutions located along the Green Line light rail transit line in Minneapolis-St. Paul, Minnesota, has been working to increase anchor local purchasing in zip codes along the transit line for over three years. To date, they have succeeded in executing three joint contracts for snow removal, window washing and appliances. Other efforts have focused on introducing local food vendors (both growers and value-added manufacturing) to anchor food supply chains and assisting anchors in identifying specific Corridor vendors from which to purchase.<sup>1</sup>

CCAP's local purchasing strategy has relied primarily on informal conversations with anchor purchasing staff. To significantly increase anchor local purchasing, CCAP realized that they needed a more rigorous demand analysis to identify priority purchasing opportunities. Although the anchor institutions may be committed to local purchasing because they understand the impact it can have on local economic development, they may not fully understand how to execute on this strategy. Understanding the size and nature of local purchasing opportunities along the Central Corridor will help anchor institutions establish an effective local purchasing strategy.

CCAP engaged ICIC in 2015 to analyze purchasing data from the anchor organizations participating in CCAP. This report summarizes our findings. We analyzed 2014 purchasing data from 10 CCAP anchors (for their offices in the Minneapolis-St. Paul metro area), including seven educational and three healthcare institutions (Map 1). Across the 10 anchors, we analyzed over 1.6 million data points.

A common barrier to local purchasing strategies is the challenge associated with finding vendors for specialized products and services. To address this issue, we center our analysis on "addressable" purchasing—the goods and services that could be reasonably supplied by a different vendor than that which is currently being used. For example, addressable transactions exclude "sole-source" contract goods and services, specialized goods that are only produced by one or a limited number of vendors, and goods and services that must be purchased in a certain location.

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<sup>1</sup> Procurement. (2013). Retrieved July 28, 2015, from Central Corridor Anchor Partnership website: <http://centralcorridor.squarespace.com/procurement>.

We calculated the current share of purchasing by geography, breaking it down by three target geographies: the Central Corridor zip codes,<sup>2</sup> the Minneapolis-St. Paul MSA,<sup>3</sup> and the state of Minnesota. **We find that for their addressable purchases, CCAP anchors already purchase a majority (57.0 percent or \$435.8 million) of their goods and services from businesses in the three target geographies.**

There is the potential to shift an additional \$328.7 million of addressable purchases from businesses outside of these three target geographies to businesses within the Central Corridor zip codes. **If the 10 anchors collectively shifted an additional five percent of their addressable purchasing from businesses outside Minnesota to Central Corridor businesses, it would result in an additional \$16.4 million flowing into these businesses annually.**

We identify 36 purchasing industries that should be prioritized for this strategy. These include six “quick win” industries where the anchors already buy a relatively significant percentage of their goods and services from businesses within the Central Corridor (at least 20 percent) and the opportunity to expand is relatively minimal (less than \$5 million). The remaining 30 industries represent local purchasing opportunities where current spending is far below the potential maximum (close to \$40 million in one case) or there is very minimal current purchasing from businesses within the Central Corridor (less than 1 percent in several instances). As a result, CCAP anchors may have to invest more time and effort to identify local business or attract new businesses with sufficient capacity to handle anchor contracts in these industries. However, they also represent some “big bets,” and by focusing on just one of these industries, CCAP could achieve an additional five percent of purchasing from Central Corridor businesses.

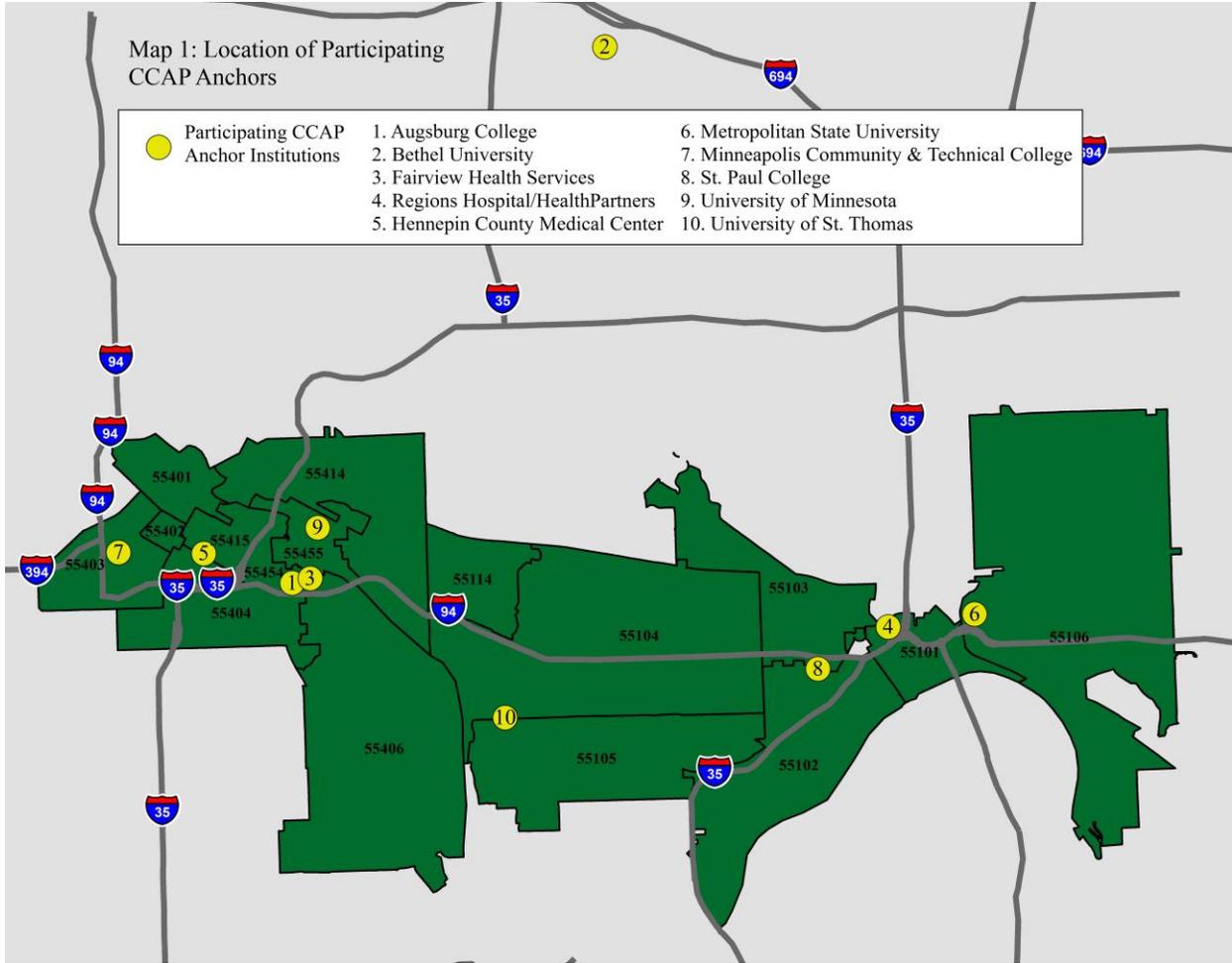
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<sup>2</sup> There are 16 Central Corridor zip codes: 55101, 55102, 55103, 55104, 55105, 55106, 55114, 55401, 55402, 55403, 55404, 55406, 55414, 55415, 55454, and 55455.

<sup>3</sup> The Minneapolis-St. Paul-Bloomington, MN-WI MSA is comprised of 16 counties: Anoka; Carver; Chisago; Dakota; Hennepin; Isanti; Le Sueur; Mille Lacs; Ramsey; Scott; Sherburne; Sibley; Washington; Wright; and Pierce County, Wisconsin; and St. Croix County, Wisconsin.

Map 1: Location of Participating CCAP Anchors

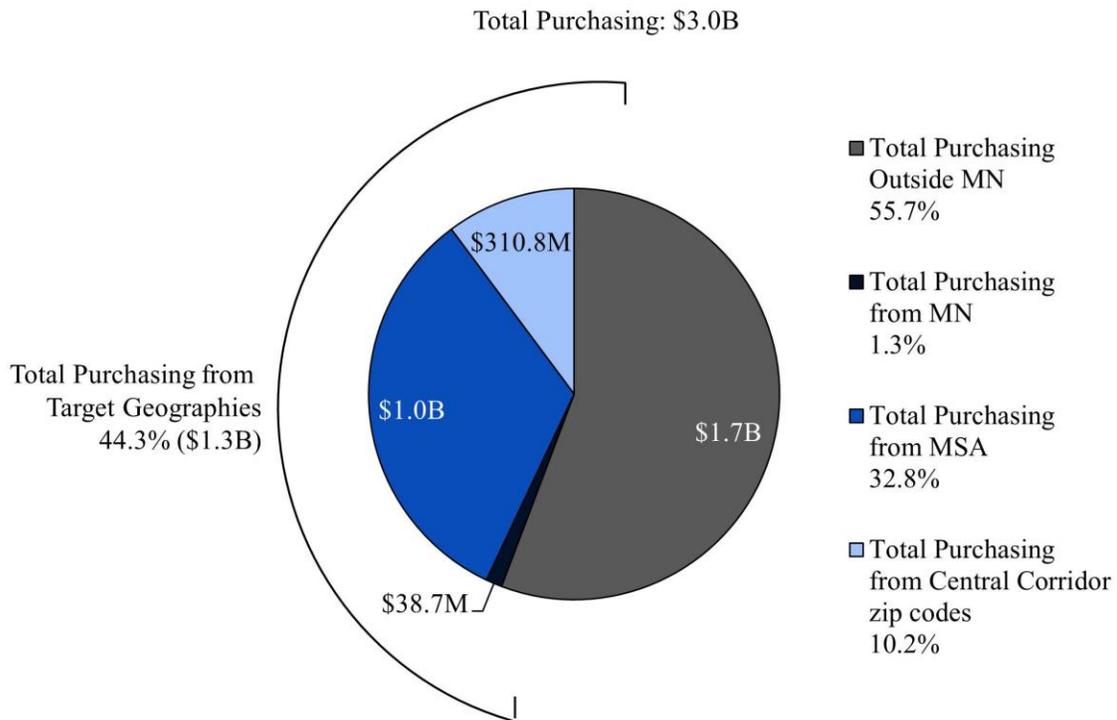
- |                                                                                                                          |                                    |                                              |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|
|  Participating CCAP Anchor Institutions | 1. Augsburg College                | 6. Metropolitan State University             |
|                                                                                                                          | 2. Bethel University               | 7. Minneapolis Community & Technical College |
|                                                                                                                          | 3. Fairview Health Services        | 8. St. Paul College                          |
|                                                                                                                          | 4. Regions Hospital/HealthPartners | 9. University of Minnesota                   |
|                                                                                                                          | 5. Hennepin County Medical Center  | 10. University of St. Thomas                 |



## Purchasing Breakdown by Geography

In aggregate for the 10 anchors analyzed for this study, their offices within the Minneapolis-St. Paul metro area spent \$3.0 billion in 2014. To calculate purchasing for each target geography, we included only the purchasing exclusive of the other geographies. For example, purchasing from MSA businesses does not include the purchasing from businesses in the Central Corridor zip codes. In the target geographies, 44.3 percent, or \$1.3 billion, was spent purchasing goods and services from local businesses (Figure 1). Most of this local spending occurred in the MSA (32.8 percent or \$1.0 billion), followed by the Central Corridor (10.2 percent or \$310.8 million). An additional 1.3 percent (or \$38.7 million) was spent in the remainder of the state.

Figure 1: Total Purchasing By Geography, Ten Anchors



Source: 2014 procurement data from 10 CCAP anchor institutions: Augsburg College, Bethel University, Fairview Health Services, Regions Hospital/HealthPartners, Hennepin County Medical Center, Metropolitan State University, Minneapolis Community & Technical College, St. Paul College, University of Minnesota, University of St. Thomas.

In aggregate for the 10 anchors, we found that 27.7 percent (or \$764.5 million) of the purchasing that we analyzed<sup>4</sup> was “addressable,” which means that it includes transactions that could be reasonably supplied by a different vendor. It excludes: “sole-source” contract goods and services, specialized goods that are only produced by one or a limited number of vendors, and goods and services that must be purchased in a certain location (see the Appendix for a full discussion).

**Within addressable purchasing, a majority (57.0 percent or \$435.8 million) is already being purchased from businesses in the three target geographies.** Again, most of the addressable local purchasing is being spent in the MSA (46.5 percent or \$355.6 million), followed by the Central Corridor (9.5 percent or \$72.9 million), and an additional 1.0 percent (or \$7.3 million) from Minnesota businesses (Figure 2).

**The total opportunity to shift purchasing from businesses located outside of Minnesota to businesses within the state is \$328.7 million.**

**If the 10 anchors collectively shifted an additional five percent of their addressable purchasing from businesses outside Minnesota to Central Corridor businesses, it would result in an additional \$16.4 million flowing into these businesses annually.**<sup>5</sup>

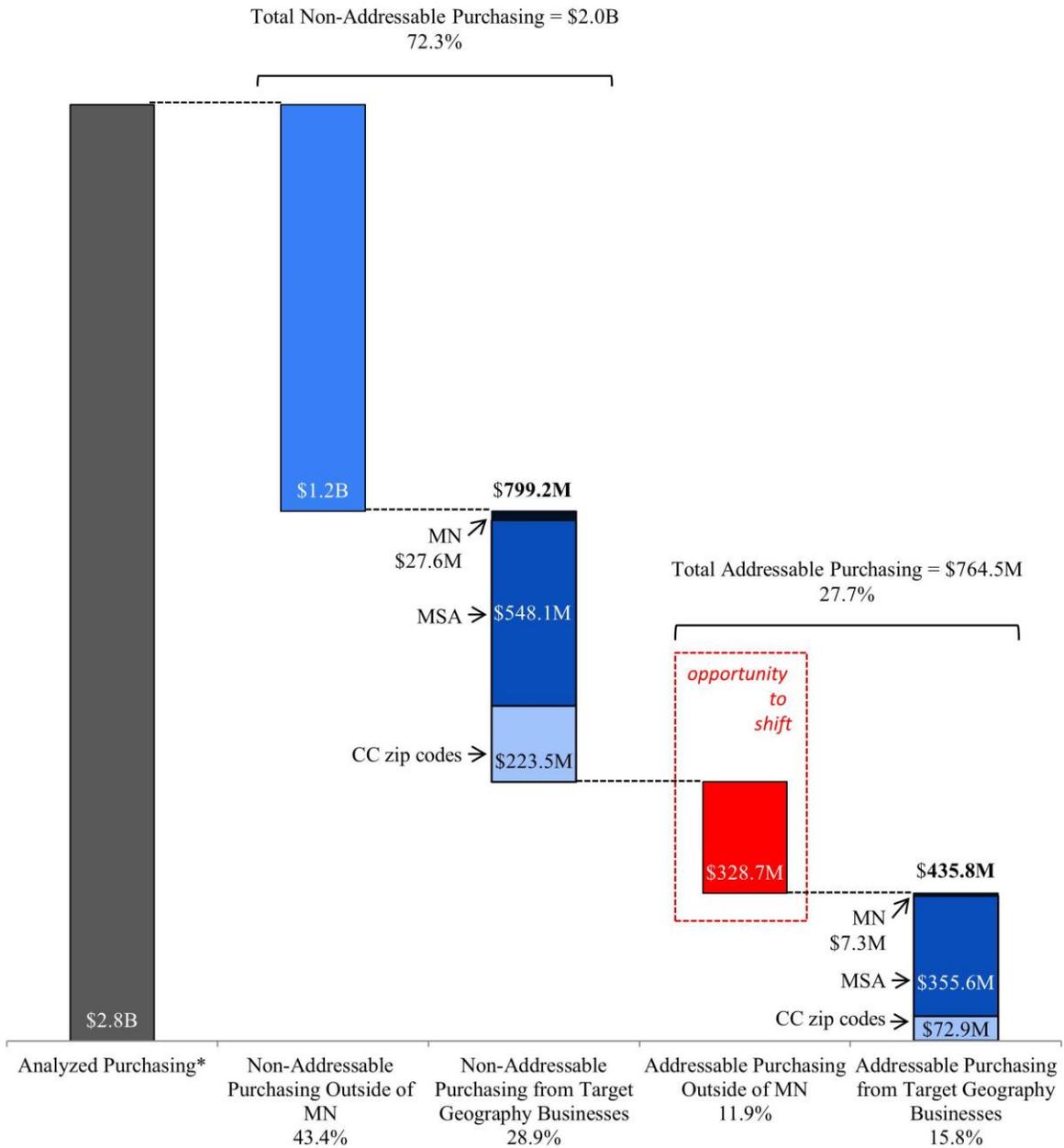
Individually, some anchors already purchase a greater share of their addressable goods and services from Central Corridor businesses. The percentage ranges from two percent to 31 percent.

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<sup>4</sup> We analyzed the largest 90 percent of transactions from each anchor to save significant time in determining addressability and identifying missing NAICS codes. The 90 percent cutoff was chosen because it excludes only small transactions that would not, especially in aggregate across anchors, be identified as priority industry categories.

<sup>5</sup> CCAP has a goal to increase local purchasing by five percent by 2015 (<http://www.centralcorridoranchorpartnership.org/procurement/>).

Figure 2: Local Purchasing Opportunities by \$ Value, Ten Anchors



\*We analyzed the largest 90% of transactions from each anchor to save significant time in determining addressability and identifying missing NAICS codes. The 90 percent cutoff was chosen because it excludes only small transactions that would not, especially in aggregate across anchors, be identified as priority industry categories.

Source: 2014 procurement data from 10 CCAP anchor institutions: Augsburg College, Bethel University, Fairview Health Services, Regions Hospital/HealthPartners, Hennepin County Medical Center, Metropolitan State University, Minneapolis Community & Technical College, St. Paul College, University of Minnesota, University of St. Thomas.

## Priority Industries

To help CCAP anchors further refine their local purchasing strategy, we identified 36 target industries where some anchors are currently purchasing from Central Corridor businesses, but there is also an opportunity to shift more to local businesses. Together, these 36 industries represent \$230.3 million (or 70 percent of the “opportunity to shift”) that could be directed to Central Corridor businesses from non-Minnesota businesses (Table 1).

We applied the following criteria to define the 36 target industries:

- the industry represents a significant level of purchasing by the anchors—i.e., addressable purchasing in the industry is at least \$1 million;
- the new purchasing opportunity is not trivial—i.e., the net local purchasing opportunity (total addressable purchasing less addressable purchasing from Minnesota, MSA and Central Corridor businesses) for the industry exceeds \$200,000;
- it is feasible to find local businesses within the industry—i.e., purchasing from Central Corridor businesses within the industry exceeds \$1,000; and
- there is an opportunity for joint purchasing—i.e., two or more anchors purchase within the industry.

Within this set of targeted industries, we identify some potential “quick wins.” The six quick win industries (shaded in gray in Table 1) represent those where significant Central Corridor spending is already occurring (over 20 percent) and a relatively small gap exists between current and potential addressable purchasing from Central Corridor businesses (less than \$5 million). Given the existing relationships anchors have with Central Corridor vendors in these industries and the achievable size of the gap or opportunity, it should be relatively easy for anchors to expand purchasing within these industries. In addition, between four to ten anchors already purchase within these industries, suggesting that there should be opportunities for joint purchasing. However, the total impact of maximizing local purchasing within these industries would be relatively modest: an additional \$7.3 million per year for local businesses in the Central Corridor that could be shifted from non-Minnesota businesses.

The remaining 30 industries are those where shifting purchasing from outside Minnesota to Central Corridor businesses might take more effort because of minimal current spending in the Corridor or because the size of the gap is extremely large. For example, in the Investigation and Security Services industry, the current percentage of addressable purchasing from Central Corridor businesses is just 0.6 percent, and the gap is relatively modest (\$2.3 million). Other industries, however, represent “big bets”—where by focusing on just one of these industries, CCAP could achieve an additional five percent of purchasing from Central Corridor businesses. For example, in the Nonresidential Building Construction industry, the current percentage of addressable purchasing from Central Corridor businesses is 21.2 percent and the gap is \$32.6 million. In either case, there may not be sufficient Central Corridor businesses (or those with sufficient capacity) in these industries to fulfill anchor contracts and close the gap. Shifting purchasing from outside Minnesota to Central Corridor businesses for many of these industries

will require a longer-term strategy involving identifying new vendors, building the capacity of existing Central Corridor businesses or attracting new businesses to the area.

It should also be noted that for all 36 industries, the gap between total addressable purchasing and local purchasing is at the aggregate level. In 28 industries, at least one anchor purchases 100 percent of their goods and services from businesses located across the three target geographies. Within that set, in eight of the industries, at least one anchor purchases 100 percent from businesses within the Central Corridor. The appendix includes a description of each North American Industry Classification System (NAICS) code.

## **Recommendations**

This project is an important step toward increasing local purchasing and will be an important tool to guide CCAP's work moving forward. We offer the following recommendations to leverage the data and analysis provided in this report.

- CCAP should consider adopting a parallel approach that includes focusing on 1-2 “quick-win” and “big-bet” opportunities. The big-bet industry may require a supply-side analysis of the capacity of local businesses within the Central Corridor to fill anchor demand.
- When CCAP decides which specific industries to target, an important first step will be for the anchors to share their lists of current Central Corridor vendors within that industry to build a comprehensive vendor database.
- Since multiple, and often a majority of, the CCAP anchors purchase from each of the target industries, they should explore joint contracting opportunities.
- CCAP should revisit its five percent local purchasing goal and adjust both the goal and its timeline for completion accordingly.
- As part of a larger economic development strategy to grow Central Corridor businesses in targeted industries, CCAP should undertake a comprehensive analysis of existing businesses in the Corridor, segmenting existing firms by their NAICS code and capacity measures. Comparing current businesses with the demand findings from this project will help identify purchasing categories where local supply may be somewhat limited currently but could be expanded through local business capacity building or business attraction.
- To execute on a long-term purchasing strategy, establishing a single point of contact to help the CCAP anchors identify Central Corridor businesses (inspired by the Chicago Anchors for a Strong Economy (CASE) model and similar models) could help decrease costs and risks associated with finding new vendors.
- The CCAP anchors should develop best practices for data collection to track progress and new purchasing opportunities, such as tracking purchasing by Central Corridor, MSA and Minnesota for annual reporting and assigning NAICS codes to transactions.

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Table 1: Industry Targets

Industry	Total Addressable Purchasing (Green=CC Purchasing; Red=MSA & MN Purchasing; Blue=Net Local Purchasing Opportunity)	% Addressable Purchasing in Central Corridor	# of Anchors Purchasing Within Industry	Anchors Purchasing From Central Corridor
4234: Professional and Commercial Equipment and Supplies Merchant Wholesalers	\$84.3M \$359.3K \$44.0M \$39.9M	0.4%	10	Augsburg, Fairview, HCMC, St. Paul College, U of M, and at least one other anchor
7223: Special Food Services	\$43.2M \$2.3M \$3.7M \$37.2M	5.4%	6	Augsburg, Metro State, U of M, and at least one other anchor
2362: Nonresidential Building Construction	\$214.6M \$45.2M \$136.8M \$32.6M	21.1%	9	Fairview, HCMC, Metro State, MCTC, St. Paul College, U of M, and at least one other anchor
3391: Medical Equipment and Supplies Manufacturing	\$31.8M \$13.9K \$2.5M \$29.3M	0.04%	8	Fairview, HCMC, U of M
8112: Electronic and Precision Equipment Repair and Maintenance	\$28.4M \$237.7K \$4.1M \$24.1M	0.8%	7	Fairview, HealthPartners, HCMC, U of M
5613: Employment Services	\$9.5M \$792.8K \$633.0K \$8.1M	8.3%	7	HCMC, St. Paul College, U of M
4244: Grocery and Related Product Merchant Wholesalers	\$14.8M \$28.9K \$8.5M \$6.3M	0.2%	9	St. Paul College, U of M
5418: Advertising, Public Relations, and Related Services	\$14.1M \$898.2K \$8.1M \$5.1M	6.4%	9	Augsburg, Fairview, HealthPartners, HCMC, St. Paul College, U of M, and at least one other
4238: Machinery, Equipment, and Supplies Merchant Wholesalers	\$9.1M \$295.6K \$4.6M \$4.2M	3.2%	10	Augsburg, Fairview, St. Paul College, U of M
5324: Commercial and Industrial Machinery and Equipment Rental and Leasing	\$11.4M \$1.2M \$6.1M \$4.1M	10.9%	8	Augsburg, Fairview, HCMC, U of M, and at least one other anchor

Industry	Total Addressable Purchasing (Green=CC Purchasing; Red=MSA & MN Purchasing; Blue=Net Local Purchasing Opportunity)	% Addressable Purchasing in Central Corridor	# of Anchors Purchasing Within Industry	Anchors Purchasing From Central Corridor
8123: Drycleaning and Laundry Services	\$12.5M \$4.6M \$4.1M \$3.8M	37.0%	10	Augsburg, Fairview
4236: Household Appliances and Electrical and Electronic Goods Merchant Wholesalers	\$5.1M \$10.8K \$1.9M \$3.2M	0.2%	9	Augsburg, HCMC, U of M
5412: Accounting, Tax Preparation, Bookkeeping, and Payroll Services	\$4.6M \$341.7K \$1.3M \$3.0M	7.3%	6	HCMC, U of M, and at least one other anchor
2382: Building Equipment Contractors	\$22.9M \$667.3K \$19.2M \$3.0M	2.9%	10	Augsburg, Fairview, HealthPartners, HCMC, U of M, and at least one other anchor
3231: Printing and Related Support Activities	\$6.7M \$519.0K \$3.9M \$2.3M	7.7%	10	Augsburg, HCMC, Metro State, MCTC, St. Paul College, U of M, and at least one other anchor
5616: Investigation and Security Services	\$6.0M \$35.4K \$3.7M \$2.3M	0.6%	9	One anchor
3333: Commercial and Service Industry Machinery Manufacturing	\$2.2M \$42.9K \$85.6K \$2.1M	1.9%	4	One anchor
5614: Business Support Services	\$4.5M \$696.2K \$1.8M \$2.0M	15.7%	8	Augsburg, HealthPartners, Metro State, U of M
4431: Electronics and Appliance Stores	\$3.9M \$234.7K \$2.0M \$1.7M	5.8%	8	Augsburg, U of M
5419: Other Professional, Scientific, and Technical Services	\$5.4M \$776.7K \$2.9M \$1.7M	14.4%	9	Augsburg, Fairview, HCMC, MCTC, U of M
5621: Waste Collection	\$2.1M \$333.1K \$246.8K \$1.5M	15.9%	9	HealthPartners, HCMC

Industry	Total Addressable Purchasing (Green=CC Purchasing; Red=MSA & MN Purchasing; Blue=Net Local Purchasing Opportunity)	% Addressable Purchasing in Central Corridor	# of Anchors Purchasing Within Industry	Anchors Purchasing From Central Corridor
4512: Book Stores and News Dealers	\$1.5M \$3.1K \$39.4K \$1.5M	0.2%	6	Augsburg, U of M
4241: Paper and Paper Product Merchant Wholesalers	\$3.6M \$306.4K \$2.0M \$1.3M	8.4%	8	Augsburg, HCMC, MCTC, U of M, and at least one other anchor
5411: Legal Services	\$8.4M \$3.8M \$3.3M \$1.3M	45.4%	5	Fairview, HCMC, U of M, and at least one other anchor
4246: Chemical and Allied Products Merchant Wholesalers	\$2.4M \$66.8K \$1.3M \$1.0M	2.7%	8	St. Paul College, and at least one other anchor
4248: Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers	\$1.2M \$13.6K \$188.2K \$1.0M	1.1%	3	Augsburg, U of M
3399: Other Miscellaneous Manufacturing	\$1.9M \$87.2K \$847.2K \$969.5K	4.6%	7	Metro State, St. Paul College, U of M
4481: Clothing Stores	\$1.4M \$250.5K \$235.2K \$959.1K	17.3%	5	One anchor
4237: Hardware, and Plumbing and Heating Equipment and Supplies Merchant Wholesalers	\$2.8M \$171.1K \$1.7M \$921.3K	6.1%	9	Augsburg, Fairview, HCMC, St. Paul College, U of M, and at least one other anchor
4421: Furniture Stores	\$1.6M \$347.6K \$461.3K \$771.3K	22.0%	4	Augsburg, U of M, and at least one other anchor
4232: Furniture and Home Furnishing Merchant Wholesalers	\$11.4M \$3.0M \$7.7M \$711.1K	26.1%	9	Fairview, HCMC, U of M
5617: Services to Buildings and Dwellings	\$12.0M \$543.1K \$10.8M \$659.0K	4.5%	10	Augsburg, Fairview, HCMC, U of M

Industry	Total Addressable Purchasing (Green=CC Purchasing; Red=MSA & MN Purchasing; Blue=Net Local Purchasing Opportunity)	% Addressable Purchasing in Central Corridor	# of Anchors Purchasing Within Industry	Anchors Purchasing From Central Corridor
8113: Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	\$1.2M \$47.7K \$454.1K \$654.4K	4.1%	6	Augsburg, and at least one other anchor
5615: Travel Arrangement and Reservation Services	\$1.1M \$556.8K \$40.0K \$462.2K	52.6%	5	Metro State, and at least one other anchor
4511: Sporting Goods, Hobby, and Musical Instrument Stores	\$1.0M \$159.9K \$492.9K \$383.9K	15.4%	7	Augsburg, St. Paul College, U of M
5414: Specialized Design Services	\$2.2M \$432.3K \$1.5M \$267.8K	19.9%	9	HCMC, St. Paul College, U of M, and at least one other anchor
<b>TOTAL NET LOCAL PURCHASING OPPORTUNITY</b>	<b>\$230.3M</b>			

Source: 2014 procurement data from 10 CCAP anchor institutions: Augsburg College, Bethel University, Fairview Health Services, Regions Hospital/HealthPartners, Hennepin County Medical Center, Metropolitan State University, Minneapolis Community & Technical College, St. Paul College, the University of Minnesota, and the University of St. Thomas.

## **Appendix**

### ***Methodology***

The project team solicited transaction-level 2014 purchasing data from 13 CCAP anchors in February 2015 and received data from 10. Each anchor was asked to provide us with the following data for each of their transactions: vendor name, complete vendor address, transaction amount, transaction description, transaction purchasing category, and vendor 4-digit NAICS code. We used zip code data from each transaction (or line item, if the anchor could not provide transaction-level data) to segment total purchasing by the three target geographies.

Since every organization uses different purchasing categories and other ways to describe their purchasing, we needed to standardize the data we received from the 10 anchors. We matched each transaction to the 4-digit NAICS code that best represents it. We analyzed the largest 90 percent of transactions from each anchor to save significant time in determining addressability and identifying missing NAICS codes. The 90 percent cutoff was chosen because it excludes only small transactions that would not, especially in aggregate across anchors, be identified as priority industry categories.

### ***Addressable Purchasing***

Every anchor organization, including the 10 we analyzed, purchases specialized goods and services (e.g., certain laboratory supplies) that may only be available from one or two businesses in the country or globally. In addition, some purchases can only be made in a certain location (e.g., hotels, utilities, ad placements, etc.). Therefore, it is important to define “addressable purchasing” opportunities that exclude these categories when identifying the size and nature of local purchasing opportunities. Addressable purchasing includes all purchasing transactions that could be reasonably supplied by a different vendor. It excludes: “sole-source” contract goods and services; specialized goods that are only produced by one or a limited number of vendors; subscription, event/admission, and membership fees; shipping and postage; direct payment of individuals; consultants and other specialized knowledge services; goods and services that are place-dependent, which means that they must be purchased in a certain location; internal charges and fees, such as bank fees and reimbursements; and gifts, contributions, sponsorships and donations. We used this definition to segment purchasing data into addressable and non-addressable transactions for each of the 10 anchors.

### ***Caveats***

It should be noted that the vendor address may not be the physical location of the company. We did, however, ask procurement contacts at each anchor to review the data to address this limitation. It should also be noted that our analysis underestimates the total purchasing by the 10 anchors. The data we received did not include purchasing by locations outside of the Minneapolis-St. Paul metro area. In addition, two anchors removed some larger “fixed cost” purchasing categories, such as payroll and payments to individuals, before sharing data with us. Six anchors either were not able to share credit card purchasing or shared credit card purchasing with incomplete address information. Five anchors were unable to share transaction-level data and thus provided summarized data. The data is also dependent on the accuracy of the zip code

information provided by the anchors. The potential zip code error (due to missing zip codes or zip codes that match to more than one state) could represent up to four percent of total aggregate purchasing.

### *Descriptions of NAICS Codes*

#### **2362: Nonresidential Building Construction**

Comprises establishments providing commercial and institutional building construction (including new work, additions, alterations, maintenance, and repairs), including commercial and institutional building general contractors; commercial and institutional building for-sale builders; commercial and institutional building design-build firms; and commercial and institutional building project construction management firms.

#### **2382: Building Equipment Contractors**

Includes electrical contractors and other wiring installation contractors; plumbing, heating, and air-conditioning contractors; and other building equipment contractors. Comprises establishments primarily engaged in installing and servicing their respective equipment. Contractors included in this industry may include both the parts and labor when performing work, and may perform new work, additions, alterations, maintenance, and repairs.

#### **3231: Printing and Related Support Activities**

Includes printing, and support activities for printing. For printing, establishments do not manufacture the stock that they print, but may perform post-printing activities, such as folding, cutting, or laminating, and mailing. For support activities for printing, establishments are primarily engaged in performing pre-press and post-press services in support of printing activities.

#### **3333: Commercial and Service Industry Machinery Manufacturing**

Comprises establishments primarily engaged in manufacturing commercial and service machinery, such as optical instruments, photographic and photocopying equipment, automatic vending machinery, commercial laundry and dry-cleaning machinery, office machinery, automotive maintenance equipment (except mechanics' handtools), and commercial-type cooking equipment.

#### **3391: Medical Equipment and Supplies Manufacturing**

Comprises establishments primarily engaged in manufacturing medical equipment and supplies. Examples of products made by these establishments are surgical and medical instruments, surgical appliances and supplies, dental equipment and supplies, orthodontic goods, ophthalmic goods, dentures, and orthodontic appliances.

#### **3399: Other Miscellaneous Manufacturing**

Includes manufacturing of jewelry and silverware; sporting and athletic goods; dolls, toys and games; office supplies (except paper); and signs; as well as other miscellaneous manufacturing.

**4232: Furniture and Home Furnishing Merchant Wholesalers\***

Includes wholesalers of furniture (including household-type furniture, outdoor furniture, mattresses, public building furniture, office furniture, and religious furniture); and home furnishings (including carpet, glassware, chinaware, curtains, lamps, drapery, linens, floor coverings, and window blind and shades).

**4234: Professional and Commercial Equipment and Supplies Merchant Wholesalers\***

Includes wholesalers of photographic equipment and supplies; office equipment; computer and computer peripheral equipment and software; medical, dental, and hospital equipment and supplies; ophthalmic goods; and other commercial and professional equipment and supplies.

**4236: Household Appliances and Electrical and Electronic Goods Merchant Wholesalers\***

Includes wholesalers of electrical apparatus and equipment, wiring supplies, and related equipment; household appliances; electric housewares; consumer electronics; and other electronic parts and equipment.

**4237: Hardware, and Plumbing and Heating Equipment and Supplies Merchant Wholesalers\***

Includes wholesalers of hardware; plumbing and heating equipment and supplies; warm air heating and air-conditioning equipment and supplies; and refrigeration equipment and supplies.

**4238: Machinery, Equipment, and Supplies Merchant Wholesalers\***

Includes wholesalers of construction and mining (except oil well) machinery and equipment; farm and garden machinery and equipment; industrial machinery and equipment; industrial supplies; service establishment equipment and supplies; and transportation equipment and supplies (except motor vehicle).

**4241: Paper and Paper Product Merchant Wholesalers\***

Includes wholesalers of printing and writing paper; stationery and office supplies; and industrial and personal service paper.

**4244: Grocery and Related Product Merchant Wholesalers\***

Includes wholesalers of general line grocery items, packaged frozen food; dairy products; poultry and poultry products; confectionary products; fish and seafood; meat and meat products; fresh fruits and vegetables; and other grocery and related products.

**4246: Chemical and Allied Products Merchant Wholesalers\***

Includes wholesalers of plastics materials and basic forms and shapes; and other chemical and allied products, such as antifreeze; industrial chemicals, gases and salts; and janitorial chemicals.

**4248: Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers\***

Includes wholesalers of beer and ale; and wine and distilled alcoholic beverages.

**4421: Furniture Stores**

Comprises establishments primarily engaged in retailing new furniture, such as household furniture and outdoor furniture; office furniture; and/or furniture sold in combination with major appliances, home electronics, home furnishings, or floor coverings

**4431: Electronics and Appliance Stores**

Includes household appliance stores; consumer-type electronic stores (e.g., televisions, computers, cameras); stereo stores (except automotive); radio and television stores; computer stores; and photographic camera shops.

**4481: Clothing Stores**

Includes men's, women's, children's, infants' and family clothing stores; clothing accessories stores; and other clothing stores, including coat stores; swimwear stores; and uniform stores.

**4511: Sporting Goods, Hobby, and Musical Instrument Stores**

Includes sporting goods stores; hobby, toy and game stores; sewing, needlework and piece goods stores; and musical instrument and supplies stores.

**4512: Book Stores and News Dealers**

Includes book stores; and news dealers and newsstands.

**5324: Commercial and Industrial Machinery and Equipment Rental and Leasing**

Includes the rental and leasing of commercial and industrial machinery and equipment, such as office machinery and equipment; audio visual equipment; medical equipment; and sound and lighting equipment.

**5411: Legal Services**

Includes offices of lawyers; offices of notaries (primarily engaged in drafting, approving, and executing legal documents); and other legal services (including notary public services, process serving services, paralegal services, real estate settlement offices, patent agent services; and real estate title abstract companies).

**5412: Accounting, Tax Preparation, Bookkeeping, and Payroll Services**

Includes offices of Certified Public Accountants (including auditors); tax preparation services; payroll services, and other accounting services, such as billing services and bookkeeping services.

**5414: Specialized Design Services**

Includes interior design services; industrial design services; graphic design services; and other specialized design services.

**5418: Advertising, Public Relations, and Related Services**

Includes advertising agencies; public relations agencies; media buying agencies; media representatives; outdoor advertising; direct mail advertising; advertising material distribution services; and other services related to advertising.

**5419: Other Professional, Scientific, and Technical Services**

Addressable purchasing includes photographic services, translation and interpretation services, and other professional, scientific, and technical services.

**5613: Employment Services**

Includes employment placement agencies; executive search services; temporary help services; and professional employer organizations.

**5614: Business Support Services**

Includes document preparation services (including transcription and editing services), telephone call centers; business service centers (including copy shops); collection agencies; credit bureaus; and other business support services.

**5615: Travel Arrangement and Reservation Services**

Includes travel agencies; tour operators; and other travel arrangement and reservation services.

**5616: Investigation and Security Services**

Includes investigation services; security guards and patrol services; armored car services; security systems services; and locksmiths.

**5617: Services to Buildings and Dwellings**

Comprises establishments providing one of the following: exterminating and pest control services; janitorial services; landscaping services; carpet and upholstery cleaning services; and other services such as building exterior cleaning services, lighting maintenance services, and snow plowing services.

**5621: Waste Collection**

Includes solid waste collection (establishments primarily engaged in collecting and/or hauling nonhazardous solid waste; operating nonhazardous solid waste transfer stations; or collecting and/or hauling mixed recyclable materials); hazardous waste collection (establishments primarily engaged in collecting and/or hauling hazardous waste and/or operating hazardous waste transfer stations); and other waste collection.

**7223: Special Food Services**

Comprises establishments primarily engaged in providing food services at one or more of the following locations: the customer's location; a location designated by the customer; or from motorized vehicles or non-motorized carts. Includes food service contractors; caterers; and mobile food services.

**8112: Electronic and Precision Equipment Repair and Maintenance**

Comprises establishments primarily engaged in repairing electronic equipment, such as computers and communications equipment, and highly specialized precision instruments. Establishments in this industry group typically have staff skilled in repairing items having complex, electronic components. Includes the repair and maintenance of consumer electronics; computer and office equipment; communication equipment; and other electronic and precision equipment, including dental, laboratory, medical and surgical equipment.

**8113: Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance**

Comprises establishments primarily engaged in the repair and maintenance of commercial and industrial machinery and equipment. Establishments in this industry either sharpen/install commercial and industrial machinery blades and saws or provide welding (e.g., automotive, general) repair services; or repair agricultural and other heavy and industrial machinery and equipment (e.g., forklifts and other materials handling equipment, machine tools, commercial refrigeration equipment, construction equipment, and mining machinery).

**8123: Drycleaning and Laundry Services**

Includes laundries and drycleaners (both coin-operated and not, and including supplying and servicing laundry and drycleaning equipment in places such as apartments and dormitories); and linen and uniform supply and industrial launderers (establishments primarily engaged in supplying, on a rental or contract basis, laundered items, such as uniforms, gowns and coats, table linens, bed linens, towels, clean room apparel, and treated mops or shop towels).

**\*About Wholesalers:** Wholesalers sell merchandise to other businesses and normally operate from a warehouse or office. These warehouses and offices are characterized by having little or no display of merchandise. In addition, neither the design nor the location of the premises is intended to solicit walk-in traffic. Wholesalers do not normally use advertising directed to the general public. Establishments that sell goods on their own account are known as wholesale merchants. Merchant wholesale establishments typically maintain their own warehouse, where they receive and handle goods for their customers. Goods are generally sold without transformation, but may include integral functions, such as sorting, packaging, labeling, and other marketing services.