

**MINNESOTA STATE
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Executive Committee

Date: March 5, 2019

Title: Contract Exceeding \$1 million:

- a. Minneapolis Community and Technical College Student Affairs Renovation
- b. Oracle (formerly RightNow) CRM

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Board Policy 5.14, Procurement and Contracts, requires that contracts, including amendments, with values greater than \$1,000,000, must be approved in advance by the Board of Trustees.

Minneapolis Community and Technical College plans to renovate the second floor of its Technical Building (T-Building) as part of its effort to modernize its delivery of student services. The college seeks approval of a construction contract for Phase 1 of the project with a contract value not to exceed \$1.2 million. The college intends to seek Board approval prior to initiation of each subsequent phase (between 4-5 phases total). The project will be funded from the college's reserves.

The existing Oracle Service Cloud (formerly RightNow) constituent relationship management (CRM) contract expires on June 30, 2019. This renewal will allow the seventeen (17) colleges and universities currently utilizing this CRM to continue using these services to manage communications and relationships with students and other stakeholders. Colleges and universities not currently utilizing Oracle Service Cloud will have the opportunity to subscribe to this license, or use one of the three CRM master contracts that were approved.

Scheduled Presenter: Brian Yolitz, Associate Vice Chancellor for Facilities

**MINNESOTA STATE
BOARD OF TRUSTEES**

BOARD ACTION
CONTRACTS EXCEEDING \$1 MILLION: <ul style="list-style-type: none">a. MINNEAPOLIS COMMUNITY AND TECHNICAL COLLEGE STUDENT AFFAIRS RENOVATIONb. ORACLE (FORMERLY RIGHTNOW) CRM

BACKGROUND

Board Policy 5.14, Procurement and Contracts, requires that contracts, including amendments, with values greater than \$1,000,000, must be approved in advance by the Board of Trustees.

a. MINNEAPOLIS COMMUNITY AND TECHNICAL COLLEGE STUDENT AFFAIRS RENOVATION

Minneapolis Community and Technical College plans to renovate the second floor of its Technical Building (T-Building) as part of its effort to modernize its delivery of student services. The college seeks approval of a construction contract for Phase 1 of the project with a contract value not to exceed \$1.2 million. The college intends to seek Board approval prior to initiation of each subsequent phase (between 4-5 phases total). The project will be funded from the college's reserves.

Minneapolis Community and Technical College updated their Comprehensive Facilities Plan (CFP) in 2017 which contemplated an extensive renovation of academic and student affairs service spaces. Most of these services are concentrated on the 2nd and 3rd floors of the T-Building. In June 2017, shortly after the college's CFP was adopted, the Board approved a construction contract for a \$2.5 million renovation of the Academic Success Center on the 3rd floor of the T-Building. This project was completed earlier this year, resulting in a remarkable transformation of the Academic Success Center space.

The college now seeks to initiate a multi-phase renovation of approximately 43,000 square feet on the 2nd floor of the T-Building, which houses Student Affairs and related services. The 2nd floor Student Affairs spaces are often seen as the "front door" to students and the public arriving on campus from the parking ramp. This "front door" and its functional layout are in need of upgrading and reorganization to better serve students.

SCOPE OF STUDENT AFFAIRS SERVICE RENOVATION

Board approval of this request will allow the college to commence with schematic design of the entire project and prepare a bid package for the first phase of construction work. Phase 1 construction work will renovate the existing southeast floor segment of Student Services

including registration and records, financial aid, bills and payment and One-Stop and install stairs between the 2nd and 3rd floors. (See **Attachment A**). Acknowledging the size and scope of the college's plans, the college intends to seek approval from the Board prior to each subsequent phase as outlined below.

SCHEDULE AND PHASING

The long project timeline is organized in multiple phases to minimize disruption to students and to ensure service levels are appropriately maintained throughout the project. The college opted to self-finance the work from its reserves instead of capital bonding to a) remove funding uncertainties and b) better control the planning, outlay of funds over multiple fiscal years as well as the physical work on campus space. Pending Board approval, the college contemplates a design kick off starting in February 2019. The college expects to fully design Phase 1 and complete schematic design of all phases this spring at an estimated cost of \$200,000. The college would enter into a construction contract for phase 1 in fall 2019 not to exceed \$1.2 million. The summary project timeline of all phases are as follows:

Current Request for Approval

Phase 1 – Design entire project and renovate existing southeasterly floor segment and construct stairs between 2nd to 3rd floors. Feb 2019 – Dec 2019

Future Board approvals (preliminary phasing plans, subject to modification)

Phase 2 – Renovate east floor segment, July 2020 – March 2021

Phase 3 – Renovate northeast floor segment, July 2021 – March 2022

Phase 4 – Renovate Admission/onboarding, northwest floor segment, July 2022 – February 2023.

FUNDING AND COSTS

In anticipation of this work, the college has been intentional in budgeting and building their reserves to enhance access and better serve students. Tuition and fees will not be impacted by this project. The college elected to pursue the project outside of a capital bonding request due to the pressing need to improve student services and the ability to control the timing of the project and funding delivery without being reliant on the bonding process. The college expects that renovation costs will temporarily impact the college's Composite Financial Index (CFI) during the term of work. The college has maintained a healthy CFI, has the fiscal resources necessary for this project, and planned for this investment when updating its comprehensive facilities plan. The college anticipates that this space will enhance student success, graduation rates, and retention.

STUDENT CONSULTATION

Along with the Academic Success Center, Minneapolis Community and Technical College briefed the Student Senate, faculty and staff on several occasions regarding the planning of this project. Student Senate representatives have served on the CFP Committee, have hosted tours of the building to gather input and suggestions for services to be provided, and provided

feedback regarding design, technology, and furniture elements they would like to see incorporated.

At the end of the project, the college will improve and realign admissions, advising, student resources and support (career, accessibility, student-parent support), billing, financial aid, student ID, and create presentation space for orientation and other topics. The goals of the space were organized around: flexibility, creating a lasting positive first impression (typically the first space the student sees when arriving from the parking ramp skyway), ease wayfinding and access, and improving space utilization.

b. ORACLE (FORMERLY RIGHTNOW) CRM

The existing Oracle Service Cloud (formerly RightNow) constituent relationship management (CRM) contract expires on June 30, 2019. The Academic and Student Affairs community undertook an extensive examination of CRM strategy in light of the pending Next Gen ERP installation. It was determined that movement to a single CRM at this time was imprudent and instead several master contracts were established. The Board previously approved the other contracts in action of June 2018. The purpose of this action is to request authorization to renew the existing Oracle Service agreement for five (5) years with the option to extend for up three (3) additional years. This renewal will allow the seventeen (17) colleges and universities currently utilizing this CRM to continue using these services to manage communications and relationships with students and other stakeholders. Colleges and universities not currently utilizing Oracle Service Cloud will have the opportunity to subscribe to this license, or use one of the three CRM master contracts that were approved.

The proposed action item is for Board approval of a contract for an initial five-year term and an additional up to three-year extension for a total possible term from July 1, 2019 – June 30, 2027. The total value of the potential eight-year agreement will not exceed \$2,720,000. This contract will be encumbered through the System Office with the subscribing colleges and universities reimbursing the System Office for their license costs.

RECOMMENDED COMMITTEE MOTION

The Executive Committee recommends the Board of Trustees adopt the following motion:

- a. The Board of Trustees authorizes the chancellor or the chancellor's designee to execute a construction contract not to exceed \$1.2 million for purposes of Phase 1 construction of the student affairs renovation located in the T-Building at Minneapolis Community and Technical College as part of the college's total project schematic design and initial construction efforts estimated to cost \$1.4 million.
- b. The Board of Trustees authorizes the chancellor or his designee to execute a contract with Oracle Service Cloud (formerly RightNow) for five years with the option to renew for up to three additional years. The total not to exceed cost for this agreement is

\$2,720,000. The board directs the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

- a. The Board of Trustees authorizes the chancellor or the chancellor’s designee to execute a construction contract not to exceed \$1.2 million for purposes of Phase 1 construction of the student affairs renovation located in the T-Building at Minneapolis Community and Technical College as part of the college’s total project schematic design and initial construction efforts estimated to cost \$1.4 million.

- b. The Board of Trustees authorizes the chancellor or his designee to execute a contract with Oracle Service Cloud (formerly RightNow) for five years with the option to renew for up to three additional years. The total not to exceed cost for this agreement is \$2,720,000. The board directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Board of Trustees:	3/20/2019
Date of Implementation:	3/20/2019

ATTACHMENT A

Student Affairs Renovation, Phase 1 Construction Contract Minneapolis Community and Technical College, T-Building, 2nd Floor

