

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance, Facilities and Technology **Date of Meeting:** October 18, 2011

Agenda Item: Hobsons Contract Approval

Proposed Policy Action Approval Required by Policy Other Approvals Monitoring

Information

Cite policy requirement, or explain why item is on the Board agenda:

Board Policy 5.14, Procurement and Contracts, requires prior approval by the Board of Trustees for contracts exceeding \$3,000,000. The proposed action item is for Board approval to renew the software licensing and professional/technical services contract with Hobsons and ApplyYourself (hereinafter Hobsons), estimated to total \$5,000,000 through the end of December 2015.

Scheduled Presenter(s): Associated Vice Chancellor of Finance Colin Dougherty

Outline of Key Points/Policy Issues:

Hobsons enrollment management technology assists admissions and enrollment officers with managing the recruitment, retention, and completion process. The solutions create operational efficiencies by providing automated tracking, communications, interventions, and reporting for prospective and current students.

Background Information:

Minnesota State Colleges and Universities entered into a three year contract with Hobsons beginning December, 2008. The contract was amended on May 6, 2010 to ensure that the seventeen participating institutions receive full enrollment benefits. The proposed action item seeks Board approval to exercise an existing renewal option extending the contract term to December, 2015.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

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| BOARD ACTION |
| Hobsons Contract Approval |

BACKGROUND

Board Policy 5.14, Procurement and Contracts, requires prior approval by the Board of Trustees for contracts exceeding \$3,000,000. The proposed action item is for Board approval to amend and extend the software licensing contract with Hobsons and ApplyYourself (hereinafter referred to as Hobsons), estimated not to exceed \$5,000,000 through the end of December 2015.

Minnesota State Colleges and Universities entered into a contract with Hobsons beginning in December 24, 2008. The contract was amended on May 6, 2010 to extend the contract to December 23, 2013, including an option to renew for an additional two (2) years. The proposed action item seeks Board approval to exercise the renewal option to December 23, 2015 and at the same time, amend the contract to synchronize the term for all colleges and universities. Currently each college and university has a different renewal date for the Hobsons modules selected; through this amended contract all colleges and universities will have their renewal dates synchronized and experience additional savings by adhering to a fixed price renewal period.

To date, nineteen (19) colleges and universities have paid Hobsons approximately \$2,000,000. The contract with Hobsons is optional for each college and university; each college and university selects from Hobsons modules and pays fixed discounted contract pricing. If one college or university had negotiated with Hobsons, they would have on average paid 40% more than the rate obtained by multiple colleges and universities working together, facilitated by the Campus Service Cooperative. The new contract is thereby estimated to saving the participating colleges and universities in excess of \$3,000,000 over the term.

Hobsons enrollment management technology assists admissions and enrollment officers with managing the recruitment, retention, and completion process. The solutions create operational efficiencies by providing automated tracking, communications, interventions, and reporting for prospective and current students. Hobsons products are not seen as competing with Minnesota State Colleges and Universities communication module. There are no plans for integration work with Office of the Chancellor - ITS nor will ITS provide any hosting services. A majority of college and university admissions directors support extension of the Hobsons contract.

Some services provided by Hobsons require that each institution share protected non-public information on all enrolled students. To ensure this data remains protected while in the

control of Hobsons, the Information Security Office conducted a review with Hobsons employees to determine the adequacy of technology controls. This review found controls to be adequate. As such, the Information Security Office and Information Technology Services management do not object to extending this contract with Hobsons. Further, the contract includes language binding the vendor to security protection standards.

RECOMMENDED COMMITTEE ACTION

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion:

The Board of Trustees approves amending and extending the current contract until December 23, 2015 between Minnesota State Colleges and Universities and Hobsons for estimated total expenditures not to exceed \$5,000,000. The Board directs the Chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD OF TRUSTEES ACTION

The Board of Trustees approves amending and extending the current contract until December 23, 2015 between Minnesota State Colleges and Universities and Hobsons for total expenditures not to exceed \$5,000,000. The Board directs the Chancellor or his designee to execute all necessary documents.

Date Presented to the Board: October 18, 2011