

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

Agenda Item Summary Sheet

Name: Finance and Facilities Committee

Date: October 21, 2014

Title: Minnesota State University, Mankato Approval of Contract Exceeding \$3 Million for Beverage Sponsorship

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:

The purpose of this report is to request Board approval of a beverage sponsorship contract with a value not to exceed \$5,000,000 for on campus pouring services at Minnesota State University, Mankato.

The university has issued a call for RFP for campus pouring services. The published notice asked vendors who responded to RFP to provide financial information for two contract term periods—five years and ten years. The university will evaluate the term that offers the greatest benefit to the university based on consideration of the information provided in response to the RFP.

The university initiated the RFP process on April 22, 2014 and received responses on May 30, 2014. Board approval in October is necessary so a fully executed contract with the selected vendor can be completed by December 1, 2014.

Scheduled Presenter(s):

Laura M. King, Vice Chancellor – CFO
Richard J. Straka, Vice President, Finance & Administration
Minnesota State University, Mankato

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

BOARD ACTION

**Minnesota State University, Mankato Contract Approval
Exceeding \$3 Million for Beverage Sponsorship**

BACKGROUND

Board Policy 5.14, Procurements and Contracts, requires approval by the Board of contracts exceeding \$3,000,000. The purpose of this report is to request Board approval of a beverage sponsorship contract with an expected value not to exceed \$5,000,000 for on campus pouring services at Minnesota State University, Mankato.

The university has issued a call for RFPs for this purpose. The published notice asked vendors who responded to the Request for Proposal (RFP) to provide financial information for two contract term periods—five years and ten years. The university evaluated the term that offers the greatest benefit to the university based on consideration of the information provided in response to the RFP.

The university initiated the RFP process on April 22, 2014 and received responses on May 30, 2014. Board approval in October is requested so a fully executed contract with the selected vendor can be completed by December 1, 2014. The schedule for the RFP and decision-making process is presented below.

RFP Selection and Implementation Timeline

Tuesday, April 22, 2014	Publish RFP notice at MMD solicitation website
Friday, May 2, 2014	Deadline for RFP proposal questions
Friday, May 9, 2014	MSU, Mankato response to questions
Friday, May 30, 2014	Deadline for RFP proposal submissions
Wednesday, October 22, 2014	MnSCU Board approval
Friday, October 31, 2014	Final decision by MSU, Mankato
Monday, December 1, 2014	Contract is fully executed

Respondents to the RFP were also asked to provide information for (a) exclusive pouring rights in all campus facilities; and/or (b) shared pouring rights among athletics, residence halls, student union, and all other facilities. Pursuant to Minnesota Statute § 248.07, Subd.7, Minnesota State Services for the Blind (SSB) operates the vending machines in all university buildings. Therefore, the successful responder must work cooperatively with SSB.

*Minnesota State University, Mankato Contract Approval
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The contract would be five years in length with one option to renew for an additional 5 years. The total value of the contract, if it runs the full ten years, is estimated at more than \$3,000,000 and less than \$5,000,000 and could consist of items including marketing support, athletic scholarships, contributions and athletic products, The requested Board motion provides capacity for changes to the valuation over the life of the contract.

RECOMMENDED COMMITTEE MOTION:

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

The Board of Trustees approves Minnesota State University, Mankato entering into a beverage sponsorship contract not to exceed \$5,000,000 million for on campus pouring services. Execution of the contract is subject to the review and approval of the contract by the chancellor or his designee.

RECOMMENDED BOARD MOTION:

The Board of Trustees approves Minnesota State University, Mankato entering into a beverage sponsorship contract not to exceed \$5,000,000 million for on campus pouring services. Execution of the contract is subject to the review and approval of the contract by the chancellor or his designee.

Date submitted to the Board of Trustees: October 21, 2014