

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

Agenda Item Summary Sheet

Committee: Finance, Facilities and Technology **Date of Meeting:** May 18, 2010

Agenda Item: Proposed Amendments to Board Policies: Policy 5.14 Procurement and Contracts, Policy 5.17 Resources Recovery and Environmentally Responsible Practices and Policy 6.6 Facilities Maintenance and Repair including Revenue Fund Facilities (Second Reading)

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda: Board Policy 1A.1, Part 6, Subpart H, has established that each board policy and system procedure is to be reviewed at least once every five years.

Scheduled Presenter(s): Laura M. King, Vice Chancellor - Chief Financial Officer

Outline of Key Points/Policy Issues:

Board policies and procedures are reviewed to:

1. assure contemporary and responsible business practices are maintained
2. assure the system's current financial and operating control mechanisms are sustained or strengthened
3. assure continuity of operations
4. clarify conflicting or misunderstood information
5. eliminate redundancy

Background Information: The Finance Division is responsible for reviewing and proposing amendments to most board policies in Chapters 5, 6, and 7.

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

BOARD ACTION

Proposed Amendments to Board Policies: Policy 5.14 Procurement and Contracts, Policy 5.17 Resources Recovery and Environmentally Responsible Practices and Policy 6.6 Facilities Maintenance and Repair Including Revenue Fund Facilities

BACKGROUND

Board Policy 1A.1, Part 6, Subpart H, has established that each board policy and system procedure is to be reviewed at least once every five years. This purpose of this review is to:

1. assure contemporary and responsible business practices are maintained
2. assure the system's current financial and operating control mechanisms are sustained or strengthened
3. assure continuity of operations
4. clarify conflicting or misunderstood information
5. eliminate redundancy

The following policies contain language and syntax revisions in addition to the specific changes noted.

Policy 5.14, Procurement and Contracts

Policy 5.14, Procurement and Contracts was amended at the March 2010 meeting. It was recommended by committee members at that time that approval by the Board of Trustees should be required for inter-agency and intra-agency agreements, joint powers agreements that do not create a joint powers board, Minnesota Department of Administration master contracts, Office of Enterprise Technology master contracts or Minnesota State Colleges and Universities master contracts with a value greater than \$3,000,000.

Policy 5.17 Resources Recovery and Environmentally Responsible Practices

As shown in Attachment B, the proposed amendment to Policy 5.17 Resources Recovery and Environmentally Responsible Practices clarifies responsibilities of the chancellor and college and university presidents.

The chancellor, in concert with college and university presidents, shall develop system-wide procedures and initiatives that reflect long-term stewardship of the campus physical environment. The chancellor shall develop facilities planning guidelines, design and construction standards, and energy conservation procedures that appropriately provide for

enhanced sustainability and long-term stewardship of campus physical resources.

College and university presidents shall develop and implement campus-based initiatives in support of these practices, and identify and report accomplishments.

The name of the policy will also be changed to better reflect its purpose – Sustainability, Resources Conservation and Recovery and Environmentally Responsible Practices.

Policy 6.6 Facilities Maintenance and Repair Including Revenue Fund Facilities

As shown in Attachment C, the proposed amendment to Policy 6.6 Facilities Maintenance and Repair Including Revenue Fund Facilities states that the chancellor shall develop and implement processes by which the physical condition of system facilities can be assessed and gauged, and shall determine targets for annual operating budgets for campus-funded repair and replacement (R&R).

RECOMMENDED COMMITTEE ACTION

The Finance, Facilities and Technology Policy Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves amending Policy 5.14 Procurement and Contracts, Policy 5.17 Resources Recovery and Environmentally Responsible Practices and Policy 6.6 Facilities Maintenance and Repair Including Revenue Fund Facilities as shown in Attachments A-C.

RECOMMENDED BOARD ACTION

The Board of Trustees approves amending Policy 5.14 Procurement and Contracts, Policy 5.17 Resources Recovery and Environmentally Responsible Practices and Policy 6.6 Facilities Maintenance and Repair Including Revenue Fund Facilities as shown in Attachments A-C.

Date Presented to the Board: May 19, 2010

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

BOARD POLICY		5.14	
Chapter	5	Chapter Name	Administration
Section	5.14	Policy Name	Procurement and Contracts

Policy 5.14 Procurement and Contracts

1 | **Part 1. Authority.**

2 Pursuant to Minnesota Statutes § 136F.581, the Board of Trustees has authority for
3 purchases and contracts consistent with Minnesota Statutes § 471.345, the Uniform
4 Municipal Contracting Law, and other pertinent statutes, as well as the authority to
5 utilize any contracting options available to the commissioner of administration under
6 Minnesota Statutes Chapters 16A, 16B and 16C. It is the policy of the Board of Trustees
7 that contracts, including real property leases, shall not exceed five years, including
8 renewals, unless otherwise provided for by law or approved by the chancellor or the
9 chancellor's designee.

10

11 | **Part 2. Responsibilities.**

12 | The state colleges, universities, and Office of the Chancellor are responsible for
13 procurement of necessary goods and services and the implementation of contracts that
14 maximize the use of financial resources.

15 The system-wide procedures for procurement and contracts shall be consistent with
16 Minnesota Statutes § 471.345, the Uniform Municipal Contracting Law, as applicable,
17 and in compliance with other pertinent state and federal laws. The procedures shall
18 provide detailed instructions for campus and system implementation.

19 Policies and procedures relating to facilities design and construction contracts are
20 addressed in [Board Policy 6.5](#), Capital Program Planning.

21 | **Part 3. Accountability/Reporting.**

22 College and university presidents will be held accountable by the chancellor for
23 complying with state and federal laws, Board policy, and system-wide procedures for all
24 purchases and contracts.

25 ~~Annual reports on procurement contracts with values greater than \$100,000 will be~~
26 ~~available on the system's Web site and in other formats upon request.~~ Contracts,
27 including amendments, with values greater than \$3,000,000 must be approved in
28 advance by the Board of Trustees ~~except as provided in this policy.~~

29 ~~Approval by the Board of Trustees is not required for~~ [Contracts include](#) inter-agency and
30 intra-agency agreements, joint powers agreements that do not create a joint powers

1 board, Minnesota Department of Administration master contracts, Office of Enterprise
2 Technology master contracts or Minnesota State Colleges and Universities master
3 contracts with values greater than \$3,000,000. ~~Periodic reports will be provided to the~~
4 ~~Board of Trustees on these types of contracts.~~

5 Annual reports on all procurement contracts with values greater than \$100,000 will be
6 available on the system's Web site and in other formats upon request.

7

8 Date of Implementation: 06/21/00

9 Date of Adoption: 06/21/00

10 Date & Subject of Revisions:

11 03/17/10 - Amended Part 3 to require annual reports on procurement contracts with
12 values greater than \$100,000 be available on the system's Web site and in other formats
13 upon request, and requires Board approval for contracts, including amendments, with
14 values greater than \$3,000,000. Amends Part 3 to clarifies which do not require approval
15 by the Board of Trustees.

16 06/21/06 - Amended Part 1 removing requirement to report exceptions the Board
17 annually. Other technical changes.

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

BOARD POLICY		5.17
Chapter 5	Chapter Name	Administration
Section 5.17	Policy Name	Resources Recovery and Environmentally Responsible Practices

5.17 Sustainability, Resources Conservation and Recovery, and Environmentally Responsible Practices

Part 1. Policy Statement. The Board of Trustees promotes sustainability, reduction of waste, resources conservation and recovery, and environmentally responsible practices, including energy conservation and pollution prevention, consistent with law and current executive orders.

Part 2. Responsibilities.

The chancellor, in concert with college and university presidents, shall develop system-wide procedures and initiatives that reflect long-term stewardship of the campus physical environment. The chancellor shall develop facilities planning guidelines, design and construction standards, and energy conservation procedures that appropriately provide for enhanced sustainability and long-term stewardship of campus physical resources.

College and university presidents shall develop and implement campus-based initiatives in support of these practices, and identify and report accomplishments consistent with Part 3.

Part 3. Accountability. The Office of the Chancellor, and each college and university shall appoint a representative(s) for all environmental and resource recovery issues and shall maintain records regarding recycling, energy consumption and conservation, and pollution prevention efforts. The Office of the Chancellor and each college and university shall report progress and accomplishments periodically to the Board.

Date of Implementation: 06/21/00

Date of Adoption: 06/21/00

Date and Subject of Revision:

10/5/09 – Policy reviewed, no content amendments recommended.

06/18/03 – changes “system office” to “office of the chancellor”

06/21/00 – Contains language formerly in Board policy 5.6; Added Part 1, Policy Statement and language in Part 2 requiring the system office and the colleges and universities to appoint a representative;

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

BOARD POLICY		6.6
Chapter 6	Chapter Name	Facilities Management
Section 6.6	Policy Name	Facilities Maintenance and Repair including Revenue Fund Facilities

6.6 Facilities Maintenance and Repair including Revenue Fund Facilities

Part 1. Policy Statement. It is the policy of the Board of Trustees that long-range plans be developed addressing the physical plant needs of the office of the chancellor, colleges, and universities. The Board of Trustees strongly supports a sustained level of funding to address infrastructure needs, backlog of deferred maintenance and ongoing annual preventive maintenance, [energy efficiency](#), repair and renewal.

Part 2. Responsibilities. The chancellor is responsible for periodic communications, reporting, and oversight of facilities maintenance and repair funds. [The chancellor shall develop and implement processes by which the physical condition of system facilities can be assessed and gauged, and shall determine targets for annual operating budgets for campus-funded repair and replacement \(R&R\).](#) The presidents shall budget for adequate maintenance, ~~and~~ repair [and replacement](#) of campus facilities and grounds including those facilities under the Revenue Fund (e.g., residence halls, student unions, parking facilities and dining services).

Part 3. Accountability/Reporting. Periodic reports will be presented to the Board of Trustees on facilities [condition assessments and capital requirements for capital renewal.](#) ~~management on an exception reporting basis.~~

Date of Implementation: 06/21/00

Date of Adoption: 06/21/00

Date and Subject of Revision:

06/21/06 – Amended Part 2 requiring presidents to budget for adequate maintenance and repair, including parking facilities.

06/18/03 – revises “system office” to “office of the chancellor”