

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

Agenda Item Summary Sheet

Name: Finance and Facilities

Date: November 18, 2014

Title: Janitorial Supplies Contract Approval for Contract Exceeding \$3 Million

Purpose (check one):

Proposed
New Policy or
Amendment to
Existing Policy

Approvals
Required by
Policy

Other
Approvals

Monitoring /
Compliance

Information

Brief Description:

Board Policy 5.14, Procurement and Contracts, requires Board of Trustees approval of all contracts valued greater than \$3 million.

Scheduled Presenter(s): Laura M. King, Vice Chancellor - CFO

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

BOARD ACTION

Janitorial Supplies Contract Approval for Contract Exceeding \$3 Million

BACKGROUND

The purpose of this report is to seek Board of Trustees approval of a contract extension through June 30, 2016 with Hillyard Inc., not to exceed a new contract total of \$10.5 million, for the purchase of facilities janitorial and maintenance equipment and supplies. The contract would continue to be available to any Minnesota State College and University institution that chooses to participate. Forty-two campuses have chosen to use this contract thus far.

On June 17, 2009 the Board of Trustees approved entering into a contract with Hillyard Inc. for a total of five years (November 1, 2009 to October 31, 2014). The board action authorized a contract upper limit of \$3 million. This program was an early win in the collaborative purchasing effort to identify opportunities to leverage system purchasing power to achieve best value, create efficiencies, and reduce duplication of effort in the MnSCU purchasing process.

The program has grown to approximately \$1.5 million in purchases annually. Consequently, the purchases under the current contract are now expected to exceed \$5 million, well in excess of the board authorized total. Upon the discovery of board policy violation, a three month extension was granted (November 1, 2014 – January 31, 2015) in order to provide campuses access to the services while board approval was sought.

The janitorial supplies program was also an area of programming advanced in recent years through the Office Max contract. It was expected that colleges and universities would migrate to the Office Max program and that largely has not occurred. Despite the OfficeMax janitorial supply contract, campus use of the Hillyard contract continued to grow.

The Campus Services Cooperative is now evaluating all outstanding significant system sourcing contracts. The FY 2014-2015 workplan includes development of a strategic plan for the re-design and re-bid of these relationships. Staff is intending to re-bid the janitorial supplies services in FY2014-2015 and so would like to extend the Hillyard contract for 17 months. Extending the Hillyard contract to June 30, 2016 would align it with the OfficeMax contract and allow campuses the choice of both contracts until the CSC rebids janitorial supplies.

*Janitorial Supplies Contract
Approval for Contract Exceeding \$3 Million*

RECOMMENDED COMMITTEE MOTION

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

The Board of Trustees approves extending the contract with Hillyard Inc. for facilities maintenance equipment and supplies through June 30, 2016 for a total contract not to exceed \$10.5 million. The board directs the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

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

The Board of Trustees approves extending the contract with Hillyard Inc. for facilities maintenance equipment and supplies through June 30, 2016 for a total contract not to exceed \$10.5 million. The board directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Board of Trustees: November 18, 2014