

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Finance and Facilities Committee

**Date:** October 20, 2015

**Title:** Approval of contracts Exceeding \$1M for:

- a. Lake Superior College Customized Training
- b. Grant for Thief River Falls Housing Development
- c. Microsoft Premier
- d. Hobson’s Contract Extension
- e. Inver Hills Community College Construction Project
- f. Bemidji State University Bookstore Contract
- g. St Cloud State University Plumbing Replacement, Mitchell Hall
- h. Foundation Management Software –Blackbaud, Inc. Contract

**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 that contracts, including amendments, with values greater than \$1,000,000, must be approved in advance by the Board of Trustees.

**Lake Superior College Customized Training**, the contract is for payment of vendor services for a maximum amount of \$4,000,000, **Grant for Thief River Falls Housing Development**, The developer, Orb Management, Inc will deliver updated student apartments using the \$1.1 million grant and bank financing, and the college foundation will take on the ownership and operational risk of the project, **Microsoft Premier** provides for a master contract for campus and system office use, **Hobson’s Contract Extension** would allow for a new maximum total compensation \$7,000,000, **Inver Hills Community College Construction Project**, the board is request to approve a construction contract amount not to exceed \$1,400,000 for interior renovation, **Bemidji State University Bookstore Contract** would enable the university to award a final contract and complete negotiations. **St. Cloud State University Plumbing Replacement, Mitchell Hall**, the university will use revenue fund operational funds to pay for the work, which had been set aside for this purpose **Foundation Management Software –Blackbaud, Inc. Contract**. The master contract will be available for use by all colleges/universities to purchase software, services and support.

**Scheduled Presenter(s):**

Laura M. King Vice Chancellor - CFO

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

**BOARD ACTION**

**Approval of contracts Exceeding \$1M for:**

- a. Lake Superior College Customized Training**
- b. Grant for Thief River Falls Housing Development**
- c. Microsoft Premier**
- d. Hobson’s Contract Extension**
- e. Inver Hills Community College Construction Project**
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- g. St Cloud State University Plumbing Replacement, Mitchell Hall**
- h. Foundation Management Software –Blackbaud, Inc. Contract**

**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. This report presents system wide and college and university contracts for consideration and approval by the Board.

**Systemwide Contracts Exceeding \$1M for:**

- a. Lake Superior College Customized Training:** The Board is asked to approve a 1 year renewable contract for up to 5 years total between Lake Superior College (LSC) and Aggregate and Ready Mix (ARM). LSC provides customized training to contractors working on Minnesota Department of Transportation (MnDOT) construction contracts. As part of this contract, the vendor, ARM provides technical training to MnDOT contractors as well as administrative services for the customized training program with MnDOT. The contract is for payment of those services ARM provides for a maximum amount of \$4,000,000 if renewed for the full term.
- b. Grant for Thief River Falls Housing Development:** The Board is asked to approve the award of a \$1.1 million grant to Orb Management, a third-party developer and the college foundation to finance, renovate and operate student housing adjacent to the Northland Community and Technical College campus in Thief River Falls. In January 2014, the Board approved a ground lease and development proposal from Orb to build a new, 150-bed student housing complex on the Thief River Falls campus. Orb was unable to obtain the necessary financing needed to build a new development on campus, and the deal went on hiatus.

1 During the 2014 legislative session, the Minnesota Housing Finance Agency (MHFA) received  
2 grant funds to be used for very specific community-targeted student housing that align with  
3 our interests in Thief River Falls and Ely. As a result, MnSCU and MHFA entered into an  
4 interagency agreement to allow MnSCU to manage and award the grant funds. The Board  
5 approved the first of the two student housing grants to supply part of the funding for the  
6 revenue fund apartment project at Vermilion Community College. The action at Thief River  
7 Falls would award the second grant to support the Thief River Falls student apartment plan.  
8 Orb will deliver updated student apartments using the \$1.1 million grant and bank financing,  
9 and the foundation will take on the ownership and operational risk of the project.

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11 **c. Microsoft Premier:** The Board is asked to approve a contract not to exceed \$2,000,000 for a  
12 term ending July 2020 with Microsoft, Inc for software support. The system office would  
13 procure a pre-paid pool of hours that can be used for either reactive or proactive work for/by  
14 the campuses and the system office. The contract allows for the campuses to pool premier  
15 support hours and reimburse the system office for only for the support hours they utilize.

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17 **d. Hobson's Contract Extension:** The Board is asked to approve extension of the contract  
18 agreement with Hobsons through June 2017. The current contract has a cumulative total of  
19 \$5,000,000 through December 23, 2015. The extension would allow for a new maximum total  
20 compensation \$7,000,000. Hobsons enrollment management technology assists admissions  
21 and enrollment officers with managing the recruitment, retention and completion process by  
22 providing automated tracking, communications, interventions and reporting for prospective  
23 and current students.

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25 The system office issued a request for proposal in 2008 and entered into a master contract with  
26 Hobsons with a 3 year term. The contract was approved for renewal in October 2011, extending  
27 the contract term to December 23, 2015. The Request for Proposal process is underway. It is  
28 anticipated that, given the scope of the current vendor relationship and complexity of the  
29 application, the RFP process and possible transition to a different contractor will take up to 18  
30 months beyond the current contract term to complete.

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32 **e. Inver Hills Community College Construction Project:** The Board is asked to approve a  
33 construction project totaling \$1,136,000 in order to build an addition to the existing Activities  
34 Building. This project will provide academic space for the Physical Education  
35 department. Typical classes will include law enforcement training, yoga, and cardio condition  
36 training. At the June 2015 meeting, the Board approved an increased construction contract  
37 amount not to exceed \$1,750,000 for interior renovations. This project adds back the needed  
38 functions with an addition of approximately 3,290 sq. ft. The scope of the interior renovations  
39 includes reconfigured support spaces, a new wood gymnasium floor, bleachers, and elevator,  
40 as well as upgraded HVAC, light, and sound systems. The college will use local resources to  
41 complete the work. The recommended motion provides for a maximum authority of  
42 \$1,400,000 in order to provide for changes orders or unknown conditions.

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44 **f. Bemidji State University Bookstore Contract:** The Board is asked to approve a contract for  
45 up to ten years for bookstore vendor services estimated not to exceed \$5,000,000. The  
46 university is currently working on the Bookstore RFP on behalf of Bemidji State University,

1 Northwest Technical College and the Distance MN services associated with Northland  
2 Community and Technical College and Alexandria Technical Colleges. Approval of this  
3 request would enable the university to award a final contract and complete negotiations.  
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5 **g. St. Cloud State University Plumbing Replacement, Mitchell Hall:** The Board is asked to  
6 approve a contract not to exceed \$1,350,000 to enable the university to engage a contractor to  
7 replace the plumbing in the Mitchell residence hall. Mitchell Hall currently has approximately  
8 \$7.8 million in backlog, and plumbing makes up a substantial portion. The university will use  
9 revenue fund operational funds to pay for the work, which had been set aside for this purpose.  
10 The work is expected to occur after the spring term ends.  
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12 **h. Foundation Management Software –Blackbaud, Inc. Contract:** The Board is asked to  
13 approve a five year master contract not to exceed \$3,500,000 with Blackbaud, Inc. for  
14 foundation management software for use by some or all colleges and universities. Minnesota  
15 State Colleges and Universities have collaborated to create software requirements to assist in  
16 donor, alumni and institutional development activities with the goal of awarding one or more  
17 master contracts for institution use. A Request for Proposal (RFP) was conducted and  
18 Blackbaud Inc. was selected for a master contract. The master contract will be available for  
19 use by all institutions (replacing individual contracts currently done by each) to purchase  
20 software, services and support with each college/university paying for the services it requests.  
21 This will save time and resources, and provide consistent and aligned terms.  
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## 25 **RECOMMENDED COMMITTEE MOTION**

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27 The Finance and Facilities committee recommends the Board of Trustees adopt the following  
28 motions:  
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30 a. The Board of Trustees authorizes the chancellor or his designee to execute a contract with  
31 Aggregate and Ready Mix (ARM) for up to five years term for a total amount not to exceed  
32 \$4,000,000. The Board directs the chancellor or his designee to execute all necessary  
33 documents.  
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35 b. The Board of Trustees authorizes the chancellor or his designee to execute a grant  
36 agreement with Orb Management and the Northland Technical and Community College  
37 Foundation – Thief River Falls for \$1,100,000 in order to finance, renovate and operate  
38 student housing adjacent to the Northland Community and Technical College campus in  
39 Thief River Falls. The board directs the chancellor or his designee to execute all necessary  
40 documents.  
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42 c. The Board of Trustees authorizes the chancellor or his designee to execute a master contract  
43 agreement with Microsoft, Inc. for support and related professional technical expenditures  
44 beginning August 1, 2015 and ending July 31, 2020 for a total amount not exceed  
45 \$2,000,000. The board directs the chancellor or his designee to execute all necessary  
46 documents.

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2 d. The Board of Trustees authorizes the chancellor or his designee to execute an extension of  
3 the software licensing and professional/technical services master contract with Hobsons  
4 for an additional 18 months until June 30, 2017 up to a total amount not to exceed  
5 \$7,000,000. The board directs the chancellor or his designee to execute all necessary  
6 documents.  
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8 e. The Board of Trustees authorizes the chancellor or his designee to execute a construction  
9 contract not to exceed \$1,400,000 for purposes of building an addition to the Activities  
10 Center at the Inver Hills Community College campus. The board directs the chancellor or  
11 his designee to execute all necessary documents.  
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13 f. The Board of Trustees authorizes the chancellor or his designee to execute a contract with  
14 the designated Bemidji State University bookstore vendor for a term up to 10 years for a  
15 maximum amount not to exceed \$5,000,000. The board directs the chancellor or his  
16 designee to execute all necessary documents.  
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18 g. The Board of Trustees authorizes the chancellor or his designee to execute a construction  
19 contract not to exceed \$1,350,000 for purposes of building repairs and renewals- plumbing  
20 replacement at St Cloud State University, Mitchell Hall. The board directs the chancellor  
21 or his designee to execute all necessary documents.  
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23 h. The Board of Trustees authorizes the chancellor or his designee to execute a master contract  
24 agreement with Blackbaud, Inc. for 5 years at an amount not to exceed \$3,500,000. The  
25 board directs the chancellor or his designee to execute all necessary documents.  
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28 **RECOMMENDED BOARD MOTION:**  
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- 30 a. The Board of Trustees authorizes the chancellor or his designee to execute a contract  
31 with Aggregate and Ready Mix (ARM) for up to five years for a total amount not to  
32 exceed \$4,000,000. The Board directs the chancellor or his designee to execute all  
33 necessary documents.  
34  
35 b. The Board of Trustees authorizes the chancellor or his designee to execute a grant  
36 agreement with Orb Management and the Northland Technical and Community  
37 College Foundation – Thief River Falls for \$1,100,000 in order to finance, renovate  
38 and operate student housing adjacent to the Northland Community and Technical  
39 College campus in Thief River Falls. The board directs the chancellor or his designee  
40 to execute all necessary documents.  
41  
42 c. The Board of Trustees authorizes the chancellor or his designee to execute a master  
43 contract agreement with Microsoft, Inc. for support and related professional technical  
44 expenditures beginning August 1, 2015 and ending July 31, 2020 for a total amount not  
45 exceed \$2,000,000. The board directs the chancellor or his designee to execute all  
46 necessary documents.

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- d. The Board of Trustees authorizes the chancellor or his designee to execute an extension of the software licensing and professional/technical services master contract with Hobsons for an additional 18 months until June 30, 2017 up to a total amount not to exceed \$7,000,000. The board directs the chancellor or his designee to execute all necessary documents.
- e. The Board of Trustees authorizes the chancellor or his designee to execute a construction contract not to exceed \$1,400,000 for purposes of building an addition to the Activities Center at the Inver Hills Community College campus. The board directs the chancellor or his designee to execute all necessary documents.
- f. The Board of Trustees authorizes the chancellor or his designee to execute a contract with the designated Bemidji State University bookstore vendor for a term up to 10 years for a maximum amount not to exceed \$5,000,000. The board directs the chancellor or his designee to execute all necessary documents.
- g. The Board of Trustees authorizes the chancellor or his designee to execute a construction contract not to exceed \$1,350,000 for purposes of building repairs and renewals- plumbing replacement at St Cloud State University, Mitchell Hall. The board directs the chancellor or his designee to execute all necessary documents.
- h. The Board of Trustees authorizes the chancellor or his designee to execute a master contract agreement with Blackbaud, Inc. for 5 years at an amount not to exceed \$3,500,000. The board directs the chancellor or his designee to execute all necessary documents.

*Date of Adoption:* 10/21/15  
*Date of Implementation:* 10/21/15