Board Policy 5.14 Contracts and Procurements

Part 1. Authority
Pursuant to Minn. Stat. §136F.581, the board has authority for contracts and purchases consistent with Minn. Stat. §471.345, the Uniform Municipal Contracting Law, and other pertinent statutes, as well as the authority to utilize any contracting options available to the commissioner of administration under Minn. Stat. Chapters 16A, 16B and 16C.

Part 2. Responsibilities
The state colleges, universities, and system office are responsible for procurement of necessary goods and services and the implementation of contracts that maximize the use of financial resources.

The systemwide procedures for procurement and contracts shall be consistent with Minn. Stat. §471.345, the Uniform Municipal Contracting Law, as applicable, and in compliance with other pertinent state and federal laws. The procedures shall provide detailed instructions for campus and system implementation.

Policies and procedures relating to facilities design and construction contracts are addressed in Board Policy 6.5, Capital Program Planning.

Part 3. Accountability/Reporting

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

Subpart B. Contract form approval. Any contract or other legally binding agreement, including grant agreements, or memorandums of understanding/agreement that create legally binding obligations and responsibilities, that does not adhere to system approved contract templates must be approved in advance by the office of general counsel or attorney general’s office.

Subpart C. Board approval required.
1. Any procurement, lease agreement, or professional/technical/consulting service contract with a value in excess of $1,000,000 or contract amendment that would increase the total value of a contract to more than $1,000,000 must be approved in advance by the Board.
2. The following contracts and agreements must be approved in advance by the Board if the total value of the initial contract/agreement and/or subsequent amendments exceeds $3,000,000:
   a. Inter-agency agreements;
   b. Joint powers agreements;
   c. System master contracts if the total purchases made for goods or services under the master contract are expected to exceed $3,000,000; individual purchase orders made under a system master contract approved by the Board are not subject to separate Board approval;
   d. Grant agreements other than federal grants or grants from Minnesota state agencies.
3. Joint powers agreements that create a joint powers board, regardless of the dollar value, must be approved in advance by the Board.

**Subpart D. Five year limit.** Contracts, including real property leases, shall not exceed five years, including renewals, unless a longer period is otherwise provided for by law, or approved by the board for contracts subject to approval under Subpart C, or by the chancellor or the chancellor’s designee.

**Subpart E. Exemptions.** The following contracts are not subject to the approval process under Subpart C:
   1. Construction contracts subject to Policy 6.5, Capital Program Planning, and applicable system procedures.
   2. Purchase orders made under a master contract of the Minnesota Department of Administration or MnIT.
   3. Federal grants and grants from Minnesota state agencies.

**Subpart F. Reports.** Semiannual reports on all contracts with values greater than $1,000,000, except those listed in Subpart E, shall be provided to the Board’s finance and facilities committee and available on the system’s website.

Date of Adoption: 06/21/00
Date of Implementation: 06/21/00
Date of Last Review: 11/18/14

Date and Subject of Amendments:
   11/18/14 - Amends Part 3 Accountability/Reporting to include Subparts B-F and lowered the threshold for Board approval for certain contracts from $3 million to $1 million.
   11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the term "Office of the Chancellor" to "system office," and to make necessary related grammatical changes.

Additional HISTORY.