



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Finance and Facilities Committee

DATE: November 19, 2024

TITLE: Contracts Requiring Board Approval:

- a. Beverage Pouring Rights Agreement, Minnesota State University, Mankato
- b. Stadium Dome Replacement Construction, St. Cloud State University
- c. Enterprise IT Agreement, System Office
- d. Project Management Resources Agreement for NextGen Student Implementation, System Office

Action

Review and Discussion

This item is required by policy

PRESENTERS

Bill Maki, Vice Chancellor for Finance and Facilities, System Office

Tim Anderson, System Director for Procurement and Contract Management, System Office

Anne Gillespie, Vice President for Finance and Facilities, Minnesota State University, Mankato

Dan Golombiecki, Interim Vice President for Finance and Administration, St. Cloud State University

Holly Schreiner, Director of Athletics, St. Cloud State University

Ryan Ries, System Director, Facilities Design and Construction, System Office

Jacquelyn Bailey, Vice Chancellor for Information Technology, System Office

Ross Berndt, Associate Vice Chancellor, Deputy CIO, System Office

PURPOSE

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires Board of Trustees approval of any procurement, lease agreement, or professional, technical, or consulting service contract with a value in excess of \$3,000,000 or contract amendment that would increase the total value of a contract to more than \$3,000,000. System Procedure 5.14.2 Part 11 requires for contracts \$1,000,000 or greater and less than \$3,000,000:

Subpart A. System Office contracts between \$1,000,000 and \$3,000,000. The chancellor or chancellor's designee shall consult with the Board of Trustees' Chair and the Chair of Finance and Facilities Committee on all system office contracts with a total contract value (TCV) of \$1,000,000 and less than \$3,000,000. If the contract moves forward to executed status after consultation, it will be reported to the Board at the next scheduled Board meeting. The Chairs can recommend a full Board review after consultation is concluded prior to contract approval.

Subpart B. College and University contracts between \$1,000,000 and \$3,000,000. The Chancellor or the Chancellor’s designee must report any college or university contract with a TCV of \$1,000,000 and less than \$3,000,000 to the Board at the next scheduled Board meeting after the contract has been executed. The Chancellor or the Chancellor’s designee can recommend a full Board review if a review is believed to be in the best interest of the system prior to contract approval.

CONTRACTS APPROVED \$1 MILLION TO \$3 MILLION – Sept 27, 2024, to Nov 1, 2024

Institution	Contract/Services Description	Amount	Duration of Contract
Anoka Ramsey Community College	Media-buying contract extension with Carnegie-Dartlett LLC. Includes media-buying, tracking, and auditing services. This extension increased the original contract value by \$620K, bringing the total value to the current amount of \$1.5M.	\$1.5M	October 2024 to January 2025

Contract Requiring Board Approval: Beverage Pouring Rights Agreement, Minnesota State University, Mankato

BACKGROUND INFORMATION

In October 2014, the Board approved a 10-year pouring rights agreement, with a value not to exceed \$5,000,000, for Minnesota State University, Mankato (hereafter “Mankato”). This contract was subsequently formalized with Pepsi-Cola of Mankato, Inc. / Gillette Pepsi Company (hereafter “Pepsi”) in January 2015. As the current contract is set to expire December 30, 2024, Mankato is requesting a new contract.

This request seeks approval for a new income-based pouring rights contract. This contract grants beverage pouring rights with Pepsi. Following a request for proposal (RFP) process conducted in July 2024, which invited beverage providers to submit bids and Mankato responded to questions, a selection committee evaluated the proposals and selected Pepsi as the preferred vendor. Mankato evaluated the term that offers the greatest benefit Mankato based on the consideration of the information provided in the response to the RFP. Board approval in November is necessary to fully execute a contract prior to the current agreement's expiration date.

FINANCIAL TERMS

The proposed contract with Gillette Pepsi Company will grant exclusive on-campus beverage pouring rights to Mankato in exchange for a total financial commitment not to exceed \$5,000,000 over a 10-year term. The agreement includes provisions for on-site equipment, marketing support, qualified athletic sponsorships, premium funds for athletic events, royalties, and a cash signing bonus. This arrangement strategically benefits Mankato by ensuring consistent beverage services, products, and student engagement, event sponsorships and a defined income stream over the term of the contract.

This agreement incurs no cost to Mankato, as it is income-generating. The exclusive pouring rights income contract spans 10-years (January 1, 2025, to December 30, 2035) and includes up to \$5,000,000 in financial benefits including: equipment, marketing support, athletic qualified sponsorship, athletic product and premium fund, royalties totaling, and a cash signing bonus.

RECOMMENDED ACTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the Chancellor or the Chancellor’s designee to enter into a contract with Gillette Pepsi Company with a total contract value not to exceed \$5,000,000 and a term of 10 years, establishing an exclusive beverage income agreement. The Committee further recommends that the Board of Trustees direct the Chancellor or the Chancellor’s designee to execute all necessary documents to formalize this agreement.

Date Presented to the Finance Committee: 11/19/24

Date Presented to the Board of Trustees: 11/20/24

Date of Implementation: 11/20/24

Contract Requiring Board Approval: Stadium Dome Replacement Construction, St. Cloud State University

BACKGROUND INFORMATION

St. Cloud State University (SCSU) seeks board approval of a construction contract not to exceed \$2.5 million for replacement of the Husky Stadium Dome.

Husky Stadium is a multi-purpose stadium that was built in 2004. The dome, which covers the field of Husky Stadium, is an air-supported, seasonal structure. It is made of fabric, approximately 376 feet long, 241 feet wide, with a center height that is about 75 feet tall. Each year, it is put up in early November and is removed in early April. The dome is original construction. Due to the zoning restrictions related to close proximity to the Mississippi River, a permanent, year-round structure is not an allowable alternative to the seasonal dome. The turf is a related but separate need. It was replaced around 2016 and is anticipated that it will need to be replaced in summer 2027. The current estimated cost of the turf replacement is \$1,050,000.

Existing Condition of Dome and Turf: An August 2020 dome inspection report recommended that a replacement be budgeted for and planned for as soon as possible. According to the report, at the dome's age, there can be areas of weakness that are not visible or necessarily showing up in fabric tests. The assessment concluded that the dome is at the end of its lifespan and for matters of safety and scheduling, it should be replaced as soon as possible. Additionally, the synthetic field turf has been well used and is nearing the end of its useful service lifespan. Therefore, planning and budgeting for replacement of the turf has also been incorporated into the long-term maintenance and renewal schedule. These projects are also included in the campus's 2024 Comprehensive Facilities Plan.

Basis for Need of Dome: This facility is home to St. Cloud State University Men's and Women's NCAA DII soccer teams and is used for practice space during the winter by baseball and softball programs. The facility is the home field for softball competitions. Additionally, it provides student recreation activities with St. Cloud State club and intramural programs and is used for external rentals and revenue generation.

Specifically, Husky Stadium is a host facility for the following programs:

- St. Cloud State University Men's Soccer
- St. Cloud State University Women's Soccer
- St. Cloud State University Softball
- St. Cloud State University Baseball practice
- St. Cloud State University Club programs
- St. Cloud State University Intramural programs
- Outside rentals
- Multiple different camps

Without this facility SCSU would not have a home practice venue for Men's Soccer, Women's Soccer, Softball or Baseball. That would be detrimental to SCSU financial standing and would necessitate finding additional venues that would have availability for these practices. This would also preclude SCSU from generating additional revenue. Additionally, because this is the home

site for all St. Cloud State University Women’s Softball games, not having the dome would create a Title IX issue that could expose the university to litigation. This venue is critical to the athletic program.

Project Scope: Replacement of the existing dome and its related mechanical and electrical equipment includes replacing the existing Husky Stadium dome fabric, cables, and infrastructure including doors, HVAC blowers, lighting, generator, and other components. Substantial completion of the construction is scheduled to be November 14, 2025.

A future phase, not included in this construction document bidding set, is to remove and replace existing turf field with a new turf rug that includes expanded linework for competition softball and other sports.

While only the dome will be replaced at this time, both the dome and turf replacements have been looked at comprehensively in the pre-design and design phases, as some decisions would impact both phases.

FINANCIAL TERMS

This project will be funded by the Facilities Assessment Fee. The estimated construction contract for this project is \$2,500,000 (including contingency).

The Design/Bid/Build delivery method is being used for this project. It has been competitively bid using Quest CDN, and bids were due on November 5, 2024. There were 3 bids received, ranging from \$2,283,000 to \$2,756,674.

The “apparent low bidder” is Ebert Construction with a bid price of \$2,283,000. SCSU is requesting approval to enter into a contract with Ebert Construction for up to \$2,500,000, which would include base bid and contingency funding in case of change orders during construction.

RECOMMENDED ACTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the Chancellor or the Chancellor’s designee to enter into a construction contract with Ebert Construction not to exceed \$2,500,000 to do this scope of work. The Committee further recommends that the Board of Trustees direct the Chancellor or the Chancellor’s designee to execute all necessary documents to formalize this agreement.

Date Presented to the Finance and Facilities Committee: 11/19/24

Date Presented to the Board of Trustees: 11/20/24

Date of Implementation: 11/20/24

Contract Requiring Board Approval: Enterprise IT Agreement, System Office

BACKGROUND INFORMATION

The system office has been contracting with State of Minnesota IT Services (MNIT) since the inception of the system office for the wide area network (WAN), data center space lease, and phone and computer services. WAN is the core infrastructure enabling all data transmission across Minnesota State, connecting each campus with the internet, the system office, and other campuses. This network supports essential operations, including administration, safety, and academic functions, while also providing connectivity for Federal, State, and County agencies. MNIT oversees the acquisition, setup, operation, and 24-hour, 7 days-a-week monitoring of the network, establishing service hubs on several campuses. Minnesota State also leases data center space at two MNIT-controlled sites to ensure redundancy and continuity for critical systems, with these facilities offering high reliability and cost-effective value compared to other options.

WAN expenses account for 80% of this motion's total funding request. The remaining services provided by MNIT include data center lease (18%) and phone and computer services (2%). Previously, the Board approved agreements for \$14 million in June 2018 and \$15 million in May 2021. Minnesota State incurs service costs based on the MNIT Services rate schedule, which includes a 12% increase (estimated at \$550,000 per year) in data center rates, along with rises in phone and computer service rates. This rate increase will add \$1.9 million to the current inter-agency agreement, necessitating a Board request before the June 30, 2025, contract end date.

FINANCIAL TERMS

The request seeks an amendment to the existing system office inter-agency agreement with MNIT, extending the term by an additional four years, resulting in a total duration of eight years. Additionally, an increase of \$20,000,000 includes an additional \$1,900,000 for FY2025 plus \$18,100,000 for FY2026-FY2029. This increase raises the approved contract amount from \$15,000,000 to a total not-to-exceed amount of \$35,000,000, funded through system office and enterprise technology budgets.

RECOMMENDED ACTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to amend the inter-agency contract with Minnesota IT Services, not to exceed \$35,000,000 and with a total term of eight years for the purposes of providing IT Services. The Finance and Facilities Committee further recommends that the Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance Committee: 11/19/24

Date Presented to the Board of Trustees: 11/20/24

Date of Implementation: 11/20/24

Contract Requiring Board Approval: Project Management Resources Agreement for NextGen Student Implementation, System Office

BACKGROUND INFORMATION

In March 2019, the Board approved a seven-year master agreement (five years with two one-year renewal options) for the system office, allowing engagement with up to three vendors for project management services, with a total value not exceeding \$6,500,000. This agreement provided project management resources for NextGen initiatives and other system office projects and was established through an RFP issued in December 2018. The first optional one-year renewal term of the current contracts is being exercised, with the contracts set to expire in March 2025. Approximately \$3,525,000 of the total \$6,500,000 contract value will have been spent for the NextGen Finance and Human Resource implementation. Funds from the current contract will be closed in March 2025.

The system office intends to engage multiple project management firms to support the NextGen Student implementation. Detailed professional and technical service requirements will be outlined in individual work authorizations, purchase orders, or Statements of Work (SOW) issued for each project. For these project management resources (PM Resources), Minnesota State will request resumes from Master Contract holders, allowing a minimum response period of two weeks. Upon selection, the Contractor will enter into a formal SOW.

The Contractor will be asked to provide temporary or on-going resources in project management, communication, training, and organizational change management (OCM) to support Minnesota State's initiatives across areas such as development, infrastructure, network, security, and business process management. Responsibilities may include facilitating meetings, managing communications, addressing resource and change management, assessing risks, escalating issues, and ensuring alignment with project milestones and timelines.

This contracting effort follows a Request for Proposal (RFP) issued in August 2024. The selected firms awarded project management master contracts for the Workday student implementation include:

- On Demand Services Group, Inc.
- Hollstadt & Associates, Inc.
- KMH Consulting, Inc.

FINANCIAL TERMS

This request seeks approval to establish three Master Service Agreements with On Demand Services Group, Inc., Hollstadt & Associates, Inc., and KMH Consulting, Inc., to support the NextGen Student implementation. Each agreement is set for a term of seven years, with a combined contract value capped at \$6,500,000, funded by NextGen resources. Cost projections are based on prevailing market rates and the historical utilization of services from the previous NextGen project management master agreement, extended to cover the duration of the new NextGen student phase.

RECOMMENDED ACTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the

chancellor or the chancellor's designee to enter into contracts with On Demand Services Group, Inc., Hollstadt & Associates, Inc., and KMH Consulting, Inc., not to cumulatively exceed \$6,500,000 and with a term of seven years for the purpose of providing Project Management Resources. The Finance and Facilities Committee further recommends that the Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance Committee: 11/19/24

Date Presented to the Board of Trustees: 11/20/24

Date of Implementation: 11/20/24