



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Finance and Facilities Committee

DATE: June 21, 2023

TITLE: Contracts Requiring Board Approval

- a. **USDA-NIFA NextGen Grant Award with Leech Lake Tribal College, Fond du Lac Tribal and Community College**
- b. **Lease Extension, ETC Building, Energy Park, Metropolitan State University**
- c. **Custodial Services Contract, Metropolitan State University**
- d. **Custodial Services Contract, Minneapolis Community and Technical College**
- e. **Student Housing Software Systemwide Contract, System Office**

Proposed New Policy or
Amendment to Existing Policy

Approvals Required by
Policy

Other Approvals

Monitoring/Compliance

Information

PRESENTERS

Bill Maki, Vice Chancellor for Finance and Facilities

Brian Yolitz, Associate Vice Chancellor for Facilities

Tim Anderson, System Director for Procurement and Contract Management

Bret Busakowski, Chief Financial Officer, Fond du Lac Tribal & Community College

Courtney Kowalczak, Environmental Institute Director, Fond du Lac Tribal & Community College

Stephen Kent, Vice President for Finance and Operations, Metropolitan State University

Christopher Mass, Director of Facilities, Metropolitan State University

Roger Broz, Physical Plant Director, Minneapolis Community and Technical College

Nicole Crosbie, Buyer, Minneapolis Community and Technical College

Jamie Nordstrom, System Director for Technology & Budget

Jennell Flodquist, ITS Contract and Purchasing Administrator

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 \$1,000,000 or contract amendment that would increase the total value of a contract to more than \$1,000,000.

Income contracts, Inter-agency agreements, Joint powers agreements, system master contracts, and grant agreements other than federal grants or grants from Minnesota state agencies 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.

Contract Requiring Board Approval: USDA-NIFA NextGen Grant Award with Leech Lake Tribal College, Fond du Lac Tribal and Community College

BACKGROUND

Fond du Lac Tribal and Community College (FDLTCC) has successfully obtained a five-year, \$9,000,000 grant from the United States Department of Agriculture (USDA)/National Institute of Food and Agriculture (NIFA), titled "NEXTGEN TIER II Fond du Lac Tribal and Community College (FDLTCC) and Leech Lake Tribal College (LLTC): Development of Enhanced Education and Training (DEET) in Food, Agriculture, Natural Resources, and Human Sciences (FANH) Careers." This grant represents a cooperative endeavor between FDLTCC and LLTC.

Of the total grant amount, LLTC has been allocated \$4,386,124 for the entire five-year period. This funding will be facilitated through a five-year subaward agreement, provided by FDLTCC to LLTC, enabling the latter to fulfill its grant partnership obligations. This portion includes budget for key personnel, travel expenses, student support, supplies pertinent to the grant initiatives, and indirect costs.

FDLTCC and LLTC have served their Anishinaabe communities by providing higher education opportunities based in Indigenous values. FDLTCC and LLTC, both chartered by their respective Bands, fulfill the land grant mission by focusing on teaching, research, and service, with a particular emphasis on environmental sustainability. The proposed partnership, known as the Development of Enhanced Education and Training (DEET) in Food, Agriculture, Natural Resources, and Human Sciences (FANH), aims to capitalize on the unique program strengths of each campus to enhance student interest, access, and success in future FANH careers.

The initiatives supported by the grant focus on the accomplishment of four primary objectives:

1. Enhance institutional capacity at FDLTCC and LLTC through the DEET partnership by capitalizing on existing programs to afford students access to FANH-related courses and opportunities.
2. Facilitate students' educational journeys with mechanisms such as mentorship, peer-led learning, and scholarships.
3. Offer experiential learning opportunities in FANH fields for young individuals, college students, and the community through activities like field trips, research projects, internships, and camps.
4. Augment student interest in FANH careers via community outreach, career guidance, recruitment activities, and professional development.

These objectives align with FDLTCC's mission of providing higher education opportunities for its communities in a welcoming culturally diverse environment. This grant is considered a single-source event because it represents a unique funding opportunity issued by USDA-NIFA. As a condition of the grant LLTC must be the recipient of the sub-award for FDLTCC to fulfill its obligation under the grant as awarded.

FINANCIAL TERMS

USDA-NIFA has awarded grant funds totaling \$9,000,000. The duration of this grant extends over

a five-year period, from June 1, 2023, through May 31, 2028. FDLTCC is seeking approval to enter into a new subaward agreement with LLTC, valued at \$4,386,124 within the same five-year time frame.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor’s designee to enter a contract with Leech Lake Tribal College, not to exceed \$4,386,124 and with a term of five years for the purposes of DEET grant activities carried out by Leech Lake Tribal College. The Finance and Facilities Committee further recommends that the Board of Trustees directs the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or the chancellor’s designee to enter a contract with Leech Lake Tribal College, not to exceed \$4,386,124 and with a term of five years for the purposes of DEET grant activities carried out by Leech Lake Tribal College. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 6/21/23
Date Presented to the Board of Trustees: 6/21/23
Date of Implementation: 6/21/23

Contract Requiring Board Approval: Lease Extension, ETC Building, Energy Park, Metropolitan State University

BACKGROUND

Metropolitan State University has leased space at 1450 Energy Park Drive since 1995. In 2013, the Board approved the current Lease extension, which included a Term of five (5) years, and a university option for one additional five-year term. In July of 2018, Metropolitan State exercised its option for the additional five-year term and is under lease through July 31, 2023. The university currently leases 58,368 square feet and is paying \$20.50 per square foot gross rent amounting to approximately \$1.2 million per year.

Metropolitan State vacated a lease at 1380 Energy Park Drive in April 2020 of approximately 7,946 sq. ft that housed the Center for Online Learning, the IT Center of Excellence and the Institute for Professional Development.

Additional square footage of 4,344 was added to the 1450 Energy Park Drive property to house the IT Center of Excellence and the Institute for Professional Development. The effect of those lease moves were a net reduction of 3,600 square feet in leased space and consolidation to one property at 1450 Energy Park Drive. The partial divestiture at 1380 and the space addition at 1450 Energy Park Drive resulted in a modest rent savings during the remaining lease term, of about \$300,000.

The university programming and instructional space needs are being supported and been met with the lease of private space at the Midway location for twenty-eight years. The leased property includes a mix of classroom spaces, office spaces for the College of Community Studies and Public Affairs, the Registrar and some smaller department office spaces, dedicated computer labs, and specialized lab spaces (Psychology Lab and Early Childhood Lab). Over 60 employees have office space at this location. While phased reduction of spaces are being planned, Metropolitan State needs to retain classroom and office space capacity at this location over the next 3-5 years to provide office space and student instructional space to support current academic needs.

The university has continued work to assess current classroom and office space needs and the impact on space use as a result of COVID. A classroom space utilization study/model was conducted in 2021. This study identified opportunities to reduce classroom space needs due to increased hybrid instruction and improve room utilization at the leased location. The university intends to continue to reduce square footage at the 1450 leased property by a minimum of 50 percent in a phased approach during the next three – five years. Specific reductions of 26 classroom spaces are planned to reduce our leased space square footage.

Ongoing work to consolidate staff office spaces to move to shared and hoteling office space is occurring as well. Coordination with bargaining groups to plan for future moves from the Midway location to provide supporting workspace at the St Paul or other Minnesota State campuses will continue

The effective date of the lease amendment at 1450 Energy Park Drive will be August 1, 2023, as

the current lease expires on July 31, 2023.

FINANCIAL TERMS

This is an extension of an existing lease contract and amendment #15, dated May 1, 2019. The university seeks approval to sign a lease amendment for up to a five-year term of 58,368 sq feet from August 1, 2023 – July 31, 2028 with a maximum price for the new amendment up to six million dollars. Current lease rates for a five-year term renewal are \$24 -\$26 per sq foot over the term period. The terms and cost of the lease will be finalized within the next few weeks.

The cost of the lease will continue to be paid from the university’s general fund operating budget as it has since the original lease was entered into in 1995.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor’s designee to enter into a lease amendment with Wellington Management, not to exceed \$6 million dollars and with a term not to exceed five years for the purposes of classroom lab and office space use by Metropolitan State University. The Finance and Facilities Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or the chancellor’s designee to enter into a lease amendment with Wellington Management, not to exceed \$6 million dollars and with a term not to exceed five years for the purposes of classroom lab and office space use by Metropolitan State University. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 6/21/23
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Date of Implementation: 6/21/23

Contract Requiring Board Approval: Custodial Services Contract, Metropolitan State University

BACKGROUND

Metropolitan State University currently outsources this custodial and event services at the St. Paul campus. The current two-year contract expiring June 30, 2023, has a value of approximately \$850,000 so board approval was not required. However, Metropolitan State University did receive previous Board approval in June 2017 for a similar three-year, \$2,000,000 custodial contract.

In November 2022, Metropolitan State University Facilities department conducted a comprehensive campus survey with the aim of developing specifications for a Request for Proposal (RFP) that aligns with best practices and caters to the requirements of a post-COVID hybrid work environment and class schedule. Following this, Metropolitan State University initiated a Custodial Services RFP sourcing event, which ran from February 13, 2023, to March 7, 2023. The event was advertised for Targeted Group Business firms, and an advertisement was placed in the system procurement newsletter to increase participation. Seven vendors attended the pre-bid meeting, resulting in the submission of three vendor proposals. The selection team thoroughly evaluated each proposal, conducted on-campus presentations, and ultimately identified the most suitable vendor candidate, Campus Services Group.

Under the new contract, the selected vendor will be responsible for providing custodial services and event set-up at the St. Paul campus. This entails staffing day porters, as well as evening and weekend cleaning staff to address routine cleaning tasks and handle special projects like floor buffing and window cleaning. Importantly, the contract also ensures additional coverage for the University during evening hours when most classes take place, allowing prompt responses to custodial service requests that arise after the daytime staff has left.

One notable advantage of this contract is the University's ability to tailor cleaning requirements based on class utilization and hybrid work environments, thereby optimizing resource allocation and reducing costs compared to a fixed-cost contract. Additionally, the contract incorporates periodic reviews every five years to facilitate competitive sourcing and assess evolving service needs, providing the University with ongoing opportunities to optimize their custodial services. NextGen Impact: No impact expected.

FINANCIAL TERMS

The custodial service contract will be funded with college general operating funds and auxiliary revenues. The five-year contract would begin July 1, 2023, and not exceed a total of \$3,900,000.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to enter a contract with Campus Services Group, not to exceed \$3,900,000 and with term of five years for the purposes of custodial and event services. The Finance and Facilities Committee further recommends that the Board of Trustees directs the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or the chancellor’s designee to enter a contract with Campus Services Group, not to exceed \$3,900,000 and with a term of five years for the purposes of custodial and event services. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 6/21/23

Date Presented to the Board of Trustees: 6/21/23

Date of Implementation: 6/21/23

Contract Requiring Board Approval: Custodial Services Contract, Minneapolis Community and Technical College

BACKGROUND

Minneapolis College encompasses a campus with 11 academic buildings, three skyways, three operational structures, and a parking ramp, which together account for a total of 1.45 million square feet.

The college has experienced staffing limitations within its facilities department for several years, with seven out of 27 General Maintenance Worker (GMW) positions remaining vacant at the time of considering third-party assistance. This staffing deficiency, coupled with high turnover rates, the expansive college premises, and broader economic factors, prompted the development of a hybrid cleaning model, integrating both insourced and outsourced services.

The decision to seek third-party custodial services was prompted by staffing limitations, as it was noted that Minneapolis College had encountered more than 60 failed searches for suitable candidates over the past three years. To ensure that the campus is adequately cleaned and sanitized, contracted services have become necessary.

In the process of decision-making, several consultations were held among Minneapolis College key stakeholders, including members of the Presidents Council, the Human Resources Director, local Union leadership, Facilities leadership, State Union Leadership, System Office Labor Relations, and System Office Finance and Facilities. These consultations took place over a span of a few weeks and involved discussions held independently as well as collectively.

To address staff shortage, a request for proposal (RFP) was publicly posted on the MinnState.edu/Vendors webpage on Monday, February 13, 2023. The college developed a contracted custodial services workplan that operates from Monday to Friday, between the hours of 2:30 PM and 11:00 PM. This plan was established based on 250 working days per year and is implemented by a workforce of 14 full-time equivalent (FTE) staff, including 13 cleaners and one supervisor. The review committee, comprising of the Facilities Director and the Building Supervises Supervisor, received six proposals. Upon initial scoring, two were shortlisted for interviews, and Marsden Building Maintenance, LLC was selected following this process. The contract is focused solely on labor provision.

The contractor's cleaning strategy for vacuuming carpets involves both back and upright vacuums. The strategy adheres to 65% of the international Sanitary Supply Association (ISSA) Time Standard for spot vacuuming rooms. This standard requires the removal of all visible debris, cleaning of all traffic lanes, and vacuuming additional carpet sections, amounting to 65% of the room area.

The cleaning team employed directly by MCTC operates from Monday to Friday, between 6:00 AM and 2:30 PM. The college's cleaning workplan operates on the same 250-day calendar as the contracted service, with a workforce of 11 FTE staff, including 10 cleaners and a supervisor.

The main objective of this model is to collaborate with a specialized vendor capable of effectively

staffing these roles, thus relieving the college of constant GMW recruitment. This will allow supervisory staff to concentrate on strategic cleaning tasks instead of managing overextended personnel. Companies like Marsden, MCTC's recommended vendor, have proven expertise in such staffing solutions, enabling the college to allocate resources towards enhancing its institutional environment and alleviating the ongoing stress experienced by the Facilities Department.

A significant risk is that with the absence of this service contract there would continue to be insufficient labor for adequate campus cleaning and disinfection. Without sufficient staffing, the health and safety of the campus community would be compromised.

FINANCIAL TERMS

The forthcoming new agreement will be paid from the General Operating budget. Even after the college pays between \$800,000 and \$900,000 annually for these services, it is projected that this contract will yield an annual savings of nearly \$400,000 compared to the previous staffing model for these services. This annual savings will be realized through the increased efficiencies of having less staff vacancies and more consistency in regular day-to-day cleaning responsibilities. The contract duration will span from July 1, 2023, until June 30, 2026.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to enter a contract with Marsden Building Maintenance, LLC, not to exceed \$2,557,659 and with a term not to exceed three years for the purposes of custodial services at Minneapolis Community and Technical College.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or the chancellor's designee to enter a contract with Marsden Building Maintenance, LLC, not to exceed \$2,557,659 and with a term not to exceed three years for the purposes of custodial services. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

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Contract Requiring Board Approval: Student Housing Software Systemwide Contract, System Office

BACKGROUND

StarRez is a comprehensive software solution designed for managing residential life operations in educational institutions and housing organizations. It streamlines and automates processes related to housing assignments, room selection, billing, reporting, and communication, providing administrators with efficient tools to enhance the overall resident experience. The software also offers features such as roommate matching, maintenance requests, and community programming, enabling organizations to create a seamless and engaging living environment for their residents.

The existing umbrella contract between Minnesota State and StarRez was established in response to a request for proposal (RFP) in 2015, which received only one response. In January 2016, the Board approved this contract for seven (7) years, set to expire in August 2023. Some Minnesota State campuses heavily rely on the functionality provided by StarRez software, making any transition to an alternative vendor a complex and time-consuming process that necessitates thorough planning. Currently, a total of six universities and four colleges have subscribed to the StarRez contract, amounting to a total cumulative expenditure of nearly \$997,000 over the last seven years. The current contract extension will allow us sufficient time to conduct a new RFP and potentially switch to a different system if recommended by the RFP committee. Extending the contract by two (2) years and keeping within the previously approved not-to-exceed amount of \$2,000,000 allows for the system office to plan for and conduct an RFP for housing software solutions that would integrate with the upcoming NextGen Student implementation.

Considering that Minnesota State already utilizes StarRez, it would be beneficial to defer replacing StarRez until Minnesota State has a clearer understanding of how the implementation of the student module or alternative solutions can eventually integrate with student modules. By allowing a two-year extension, Minnesota State University can collaborate with Workday. Although Workday does offer a connector to StarRez, the assessment of other potential solutions must be incorporated into the student module implementation plan.

FINANCIAL TERMS

The campuses are responsible for procuring and paying for StarRez under this umbrella contract provided by the system office. This arrangement serves as an extension to an existing contract, which was originally established for 7 years. The System Office is requesting a two-year contract extension. This request does not impact the current maximum allowable cost for this contract of \$2,000,000.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to extend the current contract with StarRez by two years, for a total term of nine (9) years, with a not to exceed amount of \$2,000,000 for the purpose of housing software. The Finance and Facilities Committee further recommends that the Board of Trustees directs the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or the chancellor’s designee to extend the current contract with StarRez by two years, for a total term of nine (9) years, a not to exceed amount of \$2,000,000 for the purposes of housing software. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

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