



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Finance and Facilities Committee

DATE: March 19, 2025

TITLE: Contracts Requiring Board Approval:

- a. Professional Pilot Flight Lab Instruction, Lake Superior College
- b. Technical Certification Program Partnership, Lake Superior College
- c. Center for Interprofessional Education in Healthcare, Normandale Community College
- d. Electrical Infrastructure Construction Contract, Normandale Community College

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

Brian Swanson, Associate Vice Chancellor for Facilities, System Office

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

Nickoel Anderson, Vice President of Finance & Administration, Lake Superior College

Linda Kingston, Vice President of Academic and Student Affairs, Lake Superior College

Jill Boldenow, Vice President of Administration, Normandale Community College

Pat Buhl, Associate Vice President of Operations, Normandale Community College

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 the following 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 – January 10, 2025, to February 28, 2025

Institution	Contract/Services Description	Source of Funds	Amount	Duration of Contract
Minnesota State University Mankato	Crawford “C Hall” HVAC & Laundry Renovation, general contractor is <i>MET-CON Construction</i>	Residential Life Funds	\$1.8M	January 2025 to July 2025
Metropolitan State University	Maintenance Services Agreement to provide licensed and qualified building engineer for Metro State main campus through <i>CORVAL CONSTRUCTORS, INC.</i> This is a 1-year contract extension valued at \$267,576, bringing the TCV to \$1,258,237	General Fund	\$1.25M	July 2021 to June 2026

Contract Requiring Board Approval: Professional Pilot Flight Lab Instruction, Lake Superior College

BACKGROUND INFORMATION

Since 2006, Lake Superior College (LSC) has provided professional pilot training in both fixed-wing and helicopter aviation. LSC will continue to offer private pilot flight training for both aircraft types, ensuring the availability of certification opportunities for veteran students.

The proposed contract is the result of an RFP conducted in November 2024 and published in the State Register that had one (1) response from Lake Superior Helicopter/Ascent Aviation (LSH). The project terms were outlined in a Request for Proposals (RFP), published in the State Register on November 4 and November 11, 2024. Proposals were due by November 27, 2024. LSC received one submission from Lake Superior Helicopter/Ascent Aviation, which was selected as the preferred vendor. Previous board requests for contracts with Lake Superior Helicopter include:

- **May 17, 2023:** The Board authorized a contract with Lake Superior Helicopter, not to exceed \$8,300,000 over up to five years, for helicopter flight training at Lake Superior College.
- **June 22, 2022:** The Board approved a contract with Lake Superior Helicopter, not to exceed \$5,000,000 over three years (with an optional two-year extension), for fixed-wing pilot training at Lake Superior College.
- **May 16, 2018:** The Board approved the renewal of a helicopter lease agreement for Lake Superior College.

This contract will consolidate and replace two existing agreements with Lake Superior Helicopter (LSH) to align with the Duluth International Airport lease agreement. The current lease agreement has a term of July 01, 2015 to June 30, 2025 and was approved by the Board on November 19, 2014. A new lease agreement is expected to be brought to the board for approval at the May 2025 meeting. Previously, Lake Superior College (LSC) maintained separate contracts for flight training: one for fixed-wing training, approved by the Board in June 2022, and another for helicopter training, approved in May 2023. The new contract will streamline operations and continue to support professional flight lab instruction for Instrument, Commercial, and Certified Flight Instructor (CFI) training.

LSH has over 15 years of flight training experience and has successfully partnered with LSC since 2010 for helicopter training and since 2022 for fixed-wing training. LSH is uniquely qualified to deliver high-quality instruction and related services, ensuring students receive industry-leading flight training. Key benefits of contracting with LSH include:

- **Strategic Location** – Based at Duluth International Airport, providing access to advanced aviation facilities.
- **Proven Experience** – Over 15 years of expertise in professional flight training.
- **Qualified Staff** – Employs certified flight instructors, assistant chief flight instructors, and chief flight instructors.
- **Efficient Scheduling** – Dedicated staff ensures accurate flight scheduling to facilitate timely student progression.

By continuing this educational partnership, LSC will maintain compliance with Federal Aviation Administration (FAA) regulations for both fixed-wing and helicopter flight training curricula. Additionally, this contract ensures continued Veterans Administration (VA) funding for eligible students.

FINANCIAL TERMS

This contract between LSC and LSH will be effective for a three-year period, from July 1, 2025, to June 30, 2028, with an optional two-year extension and shall not exceed \$18,000,000. Upon contract expiration, the project will be re-bid through a new procurement process.

Fee Structure

- Hourly rates for aircraft usage, simulation, instruction, and FAA check rides will be established annually as per contract terms.
- These fees must be mutually agreed upon by LSC and LSH each year and published on the LSC website:
 - [Professional Pilot Lab Fees](#)
- Students will be charged course fees for flight lab courses, aligned with the published hourly rates.
- Fees are reviewed annually and incorporated into contract amendments as needed.

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 Lake Superior Helicopter/Ascent Aviation with a total contract value not to exceed \$18,000,000 with a term up to five (5) years. 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: 3/19/25

Date Presented to the Board of Trustees: 3/19/25

Date of Implementation: 3/19/25

Contract Requiring Board Approval: Technical Certification Program Partnership, Lake Superior College

BACKGROUND INFORMATION

The Minnesota Department of Transportation (MnDOT) oversees a program ensuring the quality of highway materials and construction for all Federal-aid highway projects on the National Highway System (NHS), as required by 23 CFR 637 (Technical Certification Program). Lake Superior College has been partnering with MnDOT on the administration of this technical certification program since June 2015. This program has been expanded to include all state projects with Federal-aid participation.

Under 23 CFR 637, MnDOT and other state transportation agencies must implement quality assurance programs to certify that construction materials and workmanship meet federal compliance standards. The program mandates:

- Quality control and assurance procedures for federally funded highway projects.
- Certification of personnel in sampling, testing, and inspection.
- Standardized training programs to maintain regulatory compliance.

To administer this program efficiently, MnDOT seeks to partner with Lake Superior College (LSC), which provides training to certify sampling, testing, and inspection personnel. LSC's responsibilities include:

- Course registration, scheduling, and instructor coordination
- Electronic testing and management of waitlists
- Processing payments for instructors and subcontractors
- Financial reporting

This partnership ensures timely and effective training and recertification, maintaining compliance with federal regulations and supporting the state's Technical Certification Program workforce.

FINANCIAL TERMS

This contract represents a new five-year income agreement between LSC and MnDOT, covering the period from July 1, 2025, to June 30, 2030. The training registrations under this contract generate approximately \$1.4 million in annual revenue, with LSC netting approximately \$220,000 per year. The total estimated revenue for the contract period is \$7 million.

RECOMMENDED ACTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the Chancellor or the Chancellor's designee to enter into an income contract with MNDOT with a total contract value not to exceed \$7,000,000 with a term of five (5) years. 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: 3/19/25
Date Presented to the Board of Trustees: 3/19/25
Date of Implementation: 3/19/25

Contract Requiring Board Approval: Center for Interprofessional Education in Healthcare, Normandale Community College

BACKGROUND INFORMATION

Normandale Community College is creating a new and innovative state-of-the-art Center for Interprofessional Education in Healthcare (IPE Center) on the Second Floor of the Jodaas Science Center. The IPE model is critical in meeting Minnesota’s healthcare workforce needs. Striving as a model for simulation, the project will combine simulation with teaching spaces, student study and faculty workspace that supports the interaction of the students and faculty in the learning environment.

The need to upgrade science facilities was a significant component of Normandale’s 2022 Comprehensive Facilities Plan (CFP). This project is the campuses highest priority project outside of the State Request process. The importance of the project and the unreliable and unpredictable nature of the state request process has forced the campus to seek alternative funding options.

Project scope of work will fully renovate 15,800 square feet of the second floor of the Jodaas Science Center to include: a dental lab, simulation labs, classrooms, student collaboration and faculty support space. The existing building systems are adequate to serve the renovated spaces but minor changes to air distribution and electrical service to the area are planned.

HGA Architects and Engineers is leading the design of the project with JE Dunn selected as the Construction Manager at Risk (CM@R). Construction is planned to start in the spring of 2025 and go through the summer of 2026. Both firms were selected through a competitive process.

FINANCIAL TERMS

This project will be funded through a variety of sources including:

- Campus fund balance accumulated over several years of enrollment exceeding projections
- State funds from the Leveraged Equipment Program and the Equipment and Learning Environments Program
- Foundation grants
- Private donations to the Normandale Foundation

The guaranteed maximum price (GMP) for this project is \$12.4 million.

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 guaranteed maximum price (GMP) not to exceed \$12,400,000 for this project.

Date Presented to the Finance and Facilities Committee: 3/19/25

Date Presented to the Board of Trustees: 3/19/25

Date of Implementation: 3/19/25

Contract Requiring Board Approval: Electrical Infrastructure Construction Contract, Normandale Community College

BACKGROUND INFORMATION

Normandale Community College needs to revise and replace the medium voltage service to campus from France Ave. The electrical service entrance for the campus is original from 1967 and no longer meets the power needs for the campus. This dated equipment has caused problems on recent projects including renovations underway as part of the Board approved Library Renovation – Phase I project (currently in construction) and the Interprofessional Education (IPE) Center. The need to improve campus utility infrastructure was a major component of the Comprehensive Facilities Plan (CFP) completed in 2022.

The urgency of the electrical infrastructure work was highlighted by the project engineers working on the Library Renovation - Phase I project approved by the Board of Trustees in April 2024. The existing electrical service entrance and equipment is housed in the Library Building and needs to be relocated. The dated equipment serves the entire campus. The replacement equipment has a lead time of approximately 3 years, thus the urgency to advance the infrastructure improvements ahead of any additional major campus improvements. Ideally this project would have been funded by HEAPR or through a state GO bond appropriation. The lack of and future uncertainty of state funding has forced the campus to reallocate other funding to address this critical need.

Project scope of work will construct a new electrical room off the existing Building Services area to house new electrical equipment. The project will remove existing switchgear lineup from inside Library building and relocate it to the exterior accessed electrical enclosure at the southeast corner of the Library Building. Modifications to the interior of the Library Building, College Services Building, and Science Building are necessary to begin a campus loop. In addition, sitework, including stormwater, and grading will be required to accommodate new routing and new enclosure.

FINANCIAL TERMS

The estimated construction contract for this project is \$6,200,000 and it was competitively bid using Quest CDN.

This project is advancing with a contingent funding strategy. Normandale’s highest HEAPR priority is the upgrade of its electrical infrastructure project, and this project is on the 2025 HEAPR list for \$3.7 million. The primary funding strategy is to fund \$3.7 million with 2025 HEAPR and the balance from campus resources. If HEAPR is not available, the campus will need to fund the whole project from local fund balances.

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 not to exceed \$6,200,000 to do this scope of work.

Date Presented to the Finance and Facilities Committee: 3/19/25
Date Presented to the Board of Trustees: 3/19/25
Date of Implementation: 3/19/25