



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Finance and Facilities Committee

DATE: March 20, 2024

TITLE: Contracts Requiring Board Approval

- a. Flight Training Program Facilities and Services, Rochester Community and Technical College
- b. Alnwick Castle Lease Renewal, St Cloud State University
- c. Clinical Mental Health Support, System Office
- d. Graduation Planning Software Contract Extension, System Office
- e. Leasing Supplier for Technology Services-Master Contract, System Office

Action

Review and Discussion

This item is required by policy

PRESENTERS

Bill Maki, Vice Chancellor for Finance and Facilities

Brian Yolitz, Associate Vice Chancellor for Facilities

Tim Anderson, System Director for Procurement and Contracts Management

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.

Contract Requiring Board Approval: Flight Training Program Facilities and Services, Rochester Community and Technical College

BACKGROUND INFORMATION

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.

Rochester Community and Technical College (RCTC) started a new Aviation Pilot Education Program in the Fall of 2019. In 2018 a Request for Proposal was issued for a provider of the services, equipment, and facilities required to offer the program. Great Plains Aviation was awarded a two (2)-year contract to build support for the program. As a result of the program's success, RCTC requested and received board approval for a contract with Great Plains Aviation for a term of up to three (3) years (2021-2024) and a not-to-exceed amount to \$5.5 million.

To continue the offering of the Aviation Flight Program, and pursuant to Board Policy 5.14, a request for proposal was issued in August of 2023 for a provider of the services, equipment and facilities required. Great Plains Aviation responded to this second RFP and RCTC recommends continuing aviation services with Great Plains Aviation.

The contract period for the new agreement will be for up to three (3) years from July 1, 2024 to June 30, 2027, for an amount not to exceed \$4.5 million.

FINANCIAL TERMS

All flight instruction is held at Rochester International Airport. There are designated revenue sources to fund payments to the vendor associated with this contract:

1. Tuition – Students pay RCTC tuition at the time of the students' academic registration for a specified course.
2. Lab Fee – Students pay RCTC lab fees for flight instruction, simulator usage, aircraft rental, surcharges as determined under the contract. The lab fees are then remitted to Great Plains Aviation.

RECOMMENDED ACTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to execute a contract for up to three years (July 1, 2024 - June 30, 2027), for an amount not to exceed \$4.5 million. The board directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 3/20/2024
Date Presented to the Board of Trustees: 3/20/2024
Date of Implementation: 3/20/2024

Contract Requiring Board Approval: Alnwick Castle Lease Renewal, St Cloud State University

BACKGROUND INFORMATION

St Cloud State University (SCSU) seeks approval of a 5-year extension in the lease with the Northumberland Estates for use of the Alnwick Castle located approximately 315 miles north of London in northern England for the university to continue to provide study abroad programming. The lease costs for the 5-year term extension are \$828,522.

SCSU has provided education abroad experiences in the Alnwick Castle since 1973 and has had a lease arrangement for the use of the facility since 1984. The leased property includes the use of 23,000 square feet. This encompasses 32 rooms containing 61 beds, two family flats, two faculty offices, two classrooms, a student commons and kitchen. The lease also provides access to other castle facilities such as the great hall and also the surrounding grounds and courtyard.

In June 2018, the board approved a 5-year lease extension for SCSU's use of the Alnwick Castle. *With that amendment, SCSU brought the lease into compliance with policy and statutory requirements and secured the ability to supplement revenue by hosting other educational and SCSU-related programming with other schools.*

Coming off the pandemic, the property saw 82 and 93 students in FYs 2022 and 2023 respectively in various programs. SCSU has developed a 3-tiered financial strategy including revenues from direct study abroad programming, expanded partnerships to additional higher education institutions, and creating experiences for alumni and other groups. Partners on note include:

- Minnesota State University Mankato
- Winona State University
- Arizona State University
- St. Mary's University, Winona
- Fort Hays State University
- Bowling Green State University
- Florida International University
- School of Record for Maximo Nivel and Globalizedu
- Guilford College
- St. Mary's University, Texas
- Fontys University
- Northwest Vista College
- Academic Programs International (API)
- Anglo-American (UK)
- Northumbria University (UK)

FINANCIAL TERMS

The proposed lease extension for the Alnwick Castle is for five (5) years commencing on September 1, 2023 and ending August 31, 2028. The total lease obligation for the five (5) year term is \$828,522. In coordinating and negotiating the lease arrangement during the summer of 2023, it was apparent work with Northumberland Estate nor board approval could be fully accomplished prior to the August 31, 2023 expiration date. A short extension under the same financial terms was agreed to with the Estate to ensure continuity of SCSU programs and operations, informally extending the term through April 1, 2024 allowing for board review and approval in March.

This lease is funded with program fee revenues from international study programs associated with the leased property and associated programming.

PROJECTED REVENUES AND EXPENSES

	9/1/2023– 8/31/2024	9/1/2024– 8/31/2025	9/1/2025– 8/31/2026	9/1/2026– 8/31/2027	9/1/2027– 8/31/2028
Revenue					
SCSU Semester Program Fee	\$255,000	\$255,000	\$255,000	\$262,500	\$262,500
MinnState Semester Program Fee	\$85,000	\$85,000	\$119,000	\$122,500	\$131,250
Short-Term Program Fee	\$17,500	\$17,500	\$17,500	\$19,250	\$19,250
Partners Semester Program	\$56,250	\$56,250	\$56,250	\$62,500	\$62,500
Other/Admin	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Total	\$418,750	418,750	\$452,750	\$471,750	\$480,500
Expense					
SCSU Semester Program	\$81,600	\$81,600	\$81,600	\$84,000	\$84,000
MinnState Semester Program	\$27,200	\$27,200	\$38,080	\$39,200	\$42,000
Short-Term Program	\$2,100	\$2,100	\$2,100	\$2,310	\$2,310
Partners Semester Program	\$10,125	\$10,125	\$10,125	\$11,250	\$11,250
Lease Expense	\$151,515	\$166,667	\$168,718	\$170,811	\$170,811
Operations Staff	\$90,589	\$94,666	\$98,926	\$103,377	\$108,029
Total	\$363,129	\$382,358	\$399,549	\$410,948	\$418,400
Net Operations	\$55,621	\$36,393	\$53,201	\$60,802	\$62,100

RECOMMENDED ACTION

The Finance and Facilities Committee recommends the Board of Trustees authorize the chancellor or the chancellor's designee to enter into a lease extension with the Northumberland Estate for the use of Alnwick Castle, United Kingdom to support St Cloud State University's Center for International Studies and partner programming with a term of five (5) years from September 1, 2023 through August 31, 2028 and lease costs not to exceed \$828,522 over the term. The Finance and Facilities Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 3/20/2024

Date Presented to the Board of Trustees: 3/20/2024

Date of Implementation: 3/20/2024

Contract Requiring Board Approval: Clinical Mental Health Support, System Office

BACKGROUND INFORMATION:

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

The May 2023 Higher Education Finance and Policy Bill (Minnesota Statutes, Chapter 41, Article 1, Section 3, Subdivision 3(j)) provided funding to help campuses address basic needs insecurity, mental health and other high-need student support services by increasing the amount of available resources to students. This contract request focuses on the equitable access to students at all 33 Minnesota State colleges and universities to clinical mental health support and peer support (24 hours a day, 365 days a year) centralized via the System Office. The proposed contract will provide additional resources and services to support a comprehensive, multi-tiered public health approach to supporting students' mental health and therefore academic success that will complement strategies led by Minnesota State and those in-progress at each of our colleges and universities.

This proposed contract will contribute to the retention and recruitment efforts for students at each of the Minnesota State institutions because services will be available to any student enrolled in at least one credit at any Minnesota State college or university.

The sourcing process for this system master contract began with a committee-led request for information (RFI), completed in September 2023 and concluded with a request for proposal (RFP), completed in January 2024. The RFP Committee was comprised of 18 clinical and non-clinical subject matter experts from the system office, and the colleges and universities. The statewide student associations were also consulted as part of this process. The SAEM (Student Affairs and Enrollment Management) was recommended and approved by Senior Vice Chancellor Dr. Satasha Green-Stephen. The goal for the start of a phased implementation at the first cohort of colleges and universities is planned for April 2024 and systemwide student access to start May 1, 2024, with a planned completion of the initial implementation in December 2024.

The objective of this proposed contract is to improve students' access to support for mental health and comprehensive well-being so barriers to success and retention are reduced. Additionally, this new level of support accessible by all students will contribute to recruitment of new students, retention of current students, and align with Strategic Enrollment Management, Equity 2030, and Transfer Pathways.

Key features will include equitable access to:

- Clinically supervised urgent care, emergency, and crisis response (24 hours a day, 365 days a year)
- Appropriate clinical treatment services during regular business hours and M-F 4-10pm and on weekends
- Clinically supervised peer-to-peer support
- Mental health promotion and well-practice including resilience and strengths-based personal and interpersonal development and support
- Stigma reduction, mental health promotion, and support for personal wellness

- Mental health training and ongoing education
- Commitments to data-driven and evidence-based practice
- Inclusion and support for intersections of identity, experience, mental health, and well-being

FINANCIAL TERMS

As noted previously, the May 2023 Higher Education Finance and Policy Bill provides a base allocation of \$3.158 million per year to expand student support services. This is a new contract and the cost of this contract will not exceed \$8.75 million with a term of five (5) years. Just over half of this contract is supported by this new base funding. One of the primary goals of this funding is to support systemwide resources and collaborations. This funding also supports the United Way 211 contract, an app to assist with the distribution of emergency grants, and some other basic needs and mental health initiatives.

RECOMMENDED ACTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor’s designee to execute a contract with Mantra Health not to exceed \$8,750,000 and with term of five (5) years (May 1, 2024 – April 30, 2029) for the purposes of public health approach providing systemwide access to clinical mental health and peer support. The Finance and Facilities Committee further recommends that the Board of Trustees directs the chancellor or his designee to execute all necessary documents.

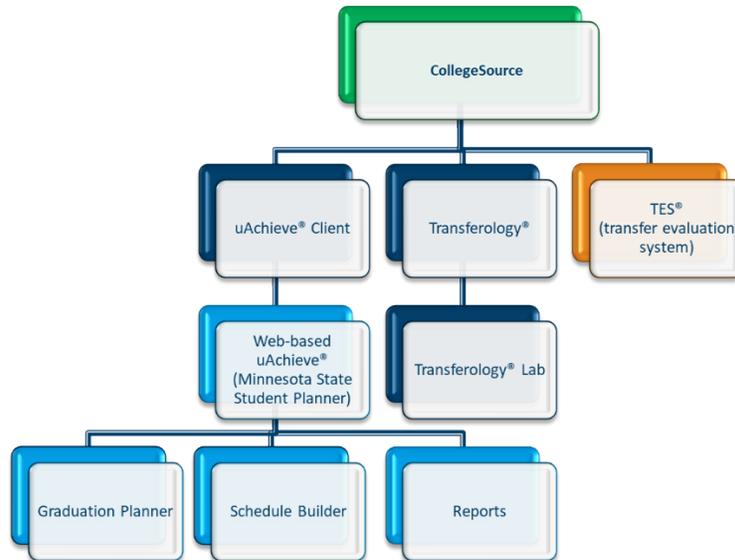
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Contract Requiring Board Approval: Graduation Planning Software Contract Extension, System Office

BACKGROUND INFORMATION

Minnesota State CollegeSource Tools

Since 1999, Minnesota State and all of its colleges and universities have utilized CollegeSource products to provide degree audit, transfer credit evaluations, and transfer agreement information for use by students, faculty, and staff. Currently, Minnesota State CollegeSource products include the following:



The Board has previously approved College Source product contracts for Grad Planner in May 2019, for a total term of five years, with three one-year options to review, and a not to exceed amount of \$1.97M. In June 2020, The Board approved amendments for the uAchieve and Transferology College Source contracts for a term of four years and \$612,097, for a total not to exceed amount of \$2,582,097. Note that the total not to exceed amount included the Transfer Evaluation System (TES) agreement, which is NOT up for renewal.

The renewal of the uAchieve Degree Audit system, an important resource for monitoring student progress towards degree completion and managing transfer course relationships, with the current contract set to expire on July 31, 2024. This suite of tools, including the uAchieve Graduation Planner and Schedule Builder, has been instrumental in guiding students and advisors by offering personalized, term-by-term academic plans and facilitating efficient schedule creation, which also assists the campus in demand analysis and classroom scheduling.

Minnesota State currently relies on a suite of CollegeSource products to facilitate degree audits, graduation planning, schedule creation, transfer credit evaluations, and transfer agreement processes, serving both students and advisors. The degree audit procedures are deeply integrated with these products. The prospect of issuing a Request for Proposal (RFP) for new degree audit and graduation planner systems during the ongoing Student ERP implementation is considered highly disruptive and filled with uncertainty for the institutions involved. Moreover, the capacity for IT support to manage the integration of a new system into the existing ISRS is

constrained. Staff across Minnesota State have devoted significant efforts to adopt and use the current system to monitor student progress proficiently.

Despite the incoming Student ERP platform containing functionalities similar to those required, its capacity to meet the complex needs of Minnesota State is yet to be determined. The provision of a four-year extension provides Minnesota State the opportunity to thoroughly evaluate the capabilities of the Student ERP system. This period will also be utilized to establish the need of issuing a request for proposal or using the Student ERP system for degree audit and graduation planning functionalities.

The integration with Transferology and the TES allows informed decision-making regarding credit transfers, with a nationwide network of participating institutions, enhancing the academic path of students within the Minnesota State system. The CollegeSource solution has substantial utilization, with an average of over two million degree audits conducted annually over the past five years, and the Graduation Planner and Schedule Builder being deployed across 29 of the 33 colleges and universities, giving over 200,000 students direct access to these planning tools. Furthermore, Transferology has facilitated an annual average of 15 million transfer matches in the past four years, while staff have engaged with approximately 90,000 course equivalencies each year, highlighting the extensive reliance on these platforms for academic planning and credit articulation.

FINANCIAL TERMS

The costs of the CollegeSource contracts will continue to be paid using the collaboration funds that are part of the institutional priority allocation from the green sheet. ASA has developed a multi-year budget plan to account for this proposed contract extension. The change in annual cost was negotiated at an increase of 3% per year.

The proposed action item is for Board approval of an up to seven-year extension of the current uAchieve Degree Audit maintenance agreement, Graduation Planner, and Schedule Builder maintenance agreement, and the Transferology subscriber agreement. This extension includes an up to four-year renewal with three one-year optional extension renewals. The total not-to-exceed value of the original agreements, the up to four-year extension, and three one-year options can be summarized as follows:

Product	Contract Expires	Current TCV	Amend Amt	Not to Exceed	Amend to Expire
Transferology	7/31/2024	\$ 270,692.00	\$ 557,739	\$ 828,431	7/31/2031
uAchieve	7/31/2024	\$ 341,405.00	\$ 703,775	\$ 1,045,180	7/31/2031
Grad Planner	7/31/2027	\$ 1,199,521.00	\$ 641,137	\$ 1,840,658	7/31/2031
Total		\$ 1,811,618	\$ 1,902,651	\$ 3,714,269	

RECOMMENDED ACTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to increase the College Source contract amounts by \$1,902,651 and to not exceed \$3,714,269 and increase contract terms up to seven years (four-year with three one-year optional renewals) for the purposes of degree audit, graduation

planner, and transfer support tools. The Finance and Facilities Committee further recommends that the Board of Trustees directs the chancellor or his designee to execute all necessary documents.

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Contract Requiring Board Approval: Leasing Supplier for Technology Services-Master Contract, System Office

BACKGROUND INFORMATION

Board Policy 5.14, Contracts, Procurements, and Supplier Diversity, requires that master contracts, including amendments, with values greater than \$3,000,000, must be approved in advance by the Board of Trustees.

The Board previously approved a contract in June 2021 for a five-year term and a not to exceed amount of \$50 million. This current Aspen Capital contract is set to expire March 2027. While the expiration date is three years out, colleges and universities benefit from the ability to lease equipment for a longer period. Creating a new contract that extends the term up to ten years allows greater flexibility for longer-term leasing. Since 2016, six colleges and two universities have leased off this current contract. The spending against the current contract March 2022 through February 2024 totals \$9.1 million.

Total Spend on Current Contract

Metric	2022	2023	2024
Number of Institutions	3	7	6
Spend	\$4,361,349	\$4,064,876	\$1,648,602

The advantages of leasing technological equipment are many, particularly in facilitating a regular refresh cycle, which is crucial in the current era where cybersecurity is required. Obsolete equipment may prevent the updating of operating systems and security patches, rendering an institution susceptible to cybersecurity threats. Furthermore, leasing provides institutions enhanced fiscal planning and budgeting capabilities, distributing costs over the duration of the lease through periodic payments, as opposed to the substantial financial outlay required for periodic equipment upgrades. This approach mitigates the tendency to defer technology updates, a decision that might seem viable when the equipment seemingly remains operational. Additionally, leasing avoids the challenge of managing surplus inventory. Upon the conclusion of the lease term, institutions are presented with options to extend the lease, purchase the equipment, or return it to the leasing company. Collectively, these benefits provide significant savings in labor costs.

The \$50 million contract threshold is based upon an analysis of leasing expenses under the existing contract, in conjunction with anticipated future costs. This projection is aligned with the interest expressed by additional institutions in utilizing a master contract for leasing purposes. A request for proposal (RFP) was completed in January 2024 with a review committee representing the system office and several college and university CIO's and staff who are involved in current leasing contracts. The RFP sought responses from leasing vendor(s) to provide a range of devices for Minnesota State. Lease rate and costs for a range of 5,000 – 10,000 systems per year were requested with the ability to increase the number of systems in the future.

The proposed Board action is for approval of a system master contract for five years with five one-year renewal options (up to 10 years) and a not to exceed amount of \$50 million for lease financing to acquire technology equipment, such as laptops for students and employees. This proposed contract offers a solution to replace the current master contract and an array of

individual and restrictive agreements across institutions. This new, flexible contract would allow for effective sharing and redistribution of technology equipment among institutions, promoting system-wide cost efficiency. It also supports a regular technology refresh cycle, critical for cybersecurity, by enabling timely updates and mitigating the risk of cyber threats. Furthermore, the leasing model simplifies budgeting by spreading costs over time and eliminates the management of surplus inventory, offering options at the end of the lease that save both time and financial resources. The Office of General Counsel (OGC) was consulted throughout the RFP and proposed contract.

FINANCIAL TERMS

The contract will be funded by the institutions who purchase from this contract for the leasing of equipment using student fees for student equipment leases and general fund for employee equipment leases. Leasing contracts have been in place at numerous institutions for up to twenty years.

RECOMMENDED ACTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor’s designee to execute a contract with Aspen Capital, not to exceed \$50,000,000 and with term of up to 10 years (five-year with five one-year optional renewals (April 1, 2024 – June 30, 2034)) for the purposes of technology leasing services. The Finance and Facilities Committee further recommends that the Board of Trustees directs the chancellor or his designee to execute all necessary documents.

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