



Chapter 5 – Administration

Board Policy 5.14 Contracts, Procurements, and Supplier Diversity

Part 1. Definitions

Contract or Agreement

An agreement between Minnesota State and another person or entity that creates a binding legal obligation upon Minnesota State and another party, regardless of the title or name of the document.

Targeted Group Businesses

Businesses that are majority owned and operated by women, persons with a substantial physical disability or specific minorities, pursuant to Minn. Stat. § 16C.16, subd. 5.

Total Contract Value (TCV)

The total of all monetary commitments and obligations described within a contract, including any renewals, extensions, or options to renew such contract.

Part 2. Authority

Pursuant to Minn. Stat. § 136F.581, the ~~board~~Board of Trustees 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 ~~23~~. Policy Statement

Minnesota State serves as a good steward of tuition funds, state appropriations, and other resources entrusted to it by Minnesotans and the students we serve. In that pursuit, system contracting and procurement practices and processes shall be transparent ~~and~~, fair, and consistent with the authorities afforded in state statute.

Minnesota State ~~is committed~~commits to creating and maintaining a supply chain that resembles the diversity of the students and communities it serves. The ~~Board of Trustees~~board supports the use of its purchasing power to enhance and optimize business and contracting opportunities for ~~historically underutilized businesses. For the purposes of this policy, Targeted Businesses (TGBs) are defined as Minority-owned (MBE) and Women-owned businesses (WBE) pursuant to Minn. Targeted Group Businesses. Stat. 16C.16 Subd. 5.~~

Part ~~34~~. Responsibilities

The 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 Minnesota State 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.

Part 45. Accountability ~~and~~ 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~~ review

Any contracts ~~or other legally binding agreements, including grant agreements, or memorandums of understanding/agreement that create legally binding obligations and responsibilities,~~ that do not adhere to ~~system~~ system-approved contract templates must be ~~approved~~ reviewed in advance ~~of signature~~ by the Office of General Counsel or Attorney General's Office.

Subpart C. Board approval required

~~Any procurement, lease agreement, or professional/technical/consulting service contract.~~
The Board must approve in advance:

- ~~1. Contracts with a value in excess TCV of \$13,000,000 or greater or contract amendment amendments, renewals, extensions, or options to renew such contract that would increase the total value TCV 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;~~
1. System master contracts if the total purchases made for goods or services under the master contract are expected to exceed \$3,000,000 or greater.; individual purchase orders made under a system master contract approved by the board are not subject to separate Board approval;
 - Grant agreements other than federal grants or grants from Minnesota state agencies.
2. Joint powers agreements that create a joint powers board, regardless of the dollar value, must be approved in advance by the Board board.

Subpart D. Five-year limit

Contracts, including real property leases, must 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. Design and construction contracts associated with projects approved by the ~~Board~~

- 89 board as part of a capital bonding request or revenue bond sale.
- 90 2. Purchase orders made under ~~a master~~ an umbrella contract of the Minnesota
- 91 Department of Administration or MnIT.
- 92 3. Federal grants and grants from Minnesota state agencies.
- 93 ~~4.~~
- 94 ~~5.4.~~ On-going ~~Utility Contracts~~ utility contracts for colleges and universities where the area
- 95 provider is the only feasible source of services such as electricity, gas, and other energy
- 96 sources (e.g., steam, propane, or fuel oil).

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98 **Subpart F. Reports**

99 ~~Semiannual~~ Annual reports on all contracts with ~~values~~ TCV of \$3,000,000 or greater ~~than~~

100 \$1,000,000, except those listed in Subpart E, must be provided to the board's finance and

101 facilities committee and be available on the ~~system's~~ Minnesota State website.

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105 Date of Adoption: 06/21/00

106 Date of Implementation: 06/21/00

107 Date of Last Review: ~~11/20/19~~ 01/09/24

108

109 **Date and Subject of Amendments:**

110 01/09/24 - The total contract value threshold requiring Bboard approval has been raised from

111 \$1,000,000 to \$3,000,000. This amendment necessitates corresponding updates in several

112 areas:

- 113 a. The annual report requirement for the Bboard has been revised to reflect the new approval
- 114 threshold of \$3,000,000.
- 115 b. The policy content has been adjusted to align with the updated threshold of \$3,000,000.

116 11/20/19 - The proposed amendment involves the addition of "Supplier Diversity" to the

117 title, a new Part 2 "Policy Statement" about supplier diversity, and the reorganization

118 and updating of the policy language to make it more accurate.

119 11/18/14 - Amends Part 3 Accountability/Reporting to include Subparts B-F and lowered the

120 threshold for Board approval for certain contracts from \$3 million to \$1 million.

121 11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the

122 term "Office of the Chancellor" to "system office," and to make necessary related

123 grammatical changes.

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125 Additional HISTORY.



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Total Contract Value (TCV)

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Part 2. Authority

Pursuant to Minn. Stat. § 136F.581, the Board of Trustees 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 3. Policy Statement

Minnesota State serves as a good steward of tuition funds, state appropriations, and other resources entrusted to it by Minnesotans and the students we serve. In that pursuit, system contracting and procurement practices and processes shall be transparent, fair, and consistent with the authorities afforded in state statute.

Minnesota State commits to creating and maintaining a supply chain that resembles the diversity of the students and communities it serves. The board supports the use of its purchasing power to enhance and optimize business and contracting opportunities for Targeted Group Businesses.

Part 4. Responsibilities

The 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 Minnesota State 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.

Part 5. Accountability and 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 procedures for all purchases and contracts.

Subpart B. Contract form review

Any contracts that do not adhere to system-approved contract templates must be reviewed in advance of signature by the Office of General Counsel or Attorney General's Office.

Subpart C. Board approval required

The board must approve in advance:

1. Contracts with a TCV of \$3,000,000 or greater or contract amendments, renewals, extensions, or options to renew such contract that would increase the TCV of a contract to \$3,000,000 or greater.
2. 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, must 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. Design and construction contracts associated with projects approved by the board as part of a capital bonding request or revenue bond sale.
2. Purchase orders made under an umbrella contract of the Minnesota Department of Administration or MnIT.
3. Federal grants and grants from Minnesota state agencies.
4. Ongoing utility contracts for colleges and universities where the area provider is the only feasible source of services such as electricity, gas, and other energy sources (e.g., steam, propane, or fuel oil).

Subpart F. Reports

Annual reports on all contracts with TCV of \$3,000,000 or greater must be provided to the board's finance and facilities committee and be available on the Minnesota State website.

Date of Adoption: 06/21/00

Date of Implementation: 06/21/00

Date of Last Review: 01/09/24

Date and Subject of Amendments:

01/09/24 - The total contract value threshold requiring board approval has been raised from \$1,000,000 to \$3,000,000. This amendment necessitates corresponding updates in several areas:

- a. The annual report requirement for the board has been revised to reflect the new approval threshold of \$3,000,000.
- b. The policy content has been adjusted to align with the updated threshold of \$3,000,000.

11/20/19 - The proposed amendment involves the addition of "Supplier Diversity" to the title, a new Part 2 "Policy Statement" about supplier diversity, and the reorganization and updating of the policy language to make it more accurate.

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.

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Additional HISTORY.