



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 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 of Trustees 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. On-going 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 system's website.

Date of Adoption: 06/21/2000
Date of Implementation: 06/21/2000
Date of Last Review: 03/20/2024

Date and Subject of Amendments:

03/20/2024 - Amended to include several significant changes and updates:

1. **Contract Value Requirement for Board Approval:** 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.
2. **Addition of Definitions for Enhanced Clarity:** To improve the understanding and interpretation of the policy, additional definitions have been integrated.
3. **General Policy Modifications:** Various modifications have been made to enhance the clarity and applicability of the policy.

11/20/1919 - 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.

11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the term "Office of the Chancellor" to "system office," and to make necessary related grammatical changes.

Additional HISTORY.