



Board Policy 5.14 Contracts, Procurements, and Supplier Diversity

Part 1. Authority

Pursuant to Minn. Stat. §136F.581, the board 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 2. 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, consistent with the authorities afforded in state statute.

Minnesota State is committed 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 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. Stat. 16C.16 Subd. 5.

Part 3. 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 4. Accountability/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

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 approved contract templates must be approved in advance by the Office of General Counsel or Attorney General's Office.

Subpart C. Board approval required

1. Any procurement, lease agreement, or professional/technical/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 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;
 - c. System master contracts if the total purchases made for goods or services under the master contract are expected to exceed \$3,000,000; individual purchase orders made under a system master contract approved by the board are not subject to separate Board approval;
 - d. Grant agreements other than federal grants or grants from Minnesota state agencies.
3. 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 a master 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 (steam, propane, or fuel oil).

Subpart F. Reports

Semiannual reports on all contracts with values greater than \$1,000,000, except those listed in Subpart E, must be provided to the board's finance committee and available on the system's website.

Date of Adoption: 06/21/00
Date of Implementation: 06/21/00
Date of Last Review: 11/20/19

Date and Subject of Amendments:

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.

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.