



Minnesota State Colleges and Universities
Board Policies
Chapter 5 – Administration

5.14 Contracts and Procurements

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. Responsibilities. The state 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 systemwide 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.

Policies and procedures relating to facilities design and construction contracts are addressed in Board Policy 6.5, Capital Program Planning.

Part 3. 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 contract or other legally binding agreement, including grant agreements, or memorandums of understanding/agreement that create legally binding obligations and responsibilities, that does 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, shall 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. Construction contracts subject to Policy 6.5, Capital Program Planning, and applicable system procedures.
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.

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

Date of Adoption: 06/21/00,

Date of Implementation: 06/21/00,

Date and Subject of Revision:

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.

05/19/10 - amended to require approval by the Board for inter-agency and intra-agency agreements, joint powers agreements that do not create a joint powers board, Minnesota Department of Administration master contracts, Office of Enterprise Technology master contracts or Minnesota State Colleges and Universities master contracts with a value greater than \$3,000,000.

03/17/10 - amended Part 3 to require annual reports on procurement contracts with values greater than \$100,000 be available on the system's Web site and in other formats upon request, and requires Board

approval for contracts, including amendments, with values greater than \$3,000,000. Amends Part 3 to clarify which do not require approval by the Board of Trustees.

06/21/06 - Amended Part 1 removing requirement to report exceptions the Board annually. Other technical changes.

12/7/05 - Amended Part 1 with additions to the list of authority sources granted to the Board of Trustees for contracting, and clarifies that the Chancellor will approve exceptions to the five-year limit on contract terms and exceptions will be reported annually. Amended Part 3 to expand/clarify accountability for presidents from professional/technical services contracts to all contracts, increased the contract authorization level from \$1M to \$2M before Board approval is required, and clarified that the Board will pre-approve contracts with a value greater than an identified dollar limit.

06/18/03 - changes "system office" to "office of the chancellor", provides for annual report on contracts to be available on the system's webpage and in other formats upon request, updates website addresses

06/21/00 - Contains language formerly in Board policy 5.5; adds language in Part 2 to include the system office.