



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Finance and Facilities Committee

DATE: January 24, 2023

TITLE: Contracts Requiring Board Approval

- a. Crawford B. Hall Restroom Renovation, Minnesota State University, Mankato
- b. Social Media Ad Placement, Minnesota State University, Mankato
- c. eProcurement, Contracts, and Sourcing Enterprise Software Renewal, System Office
- d. External Auditing Services, FY23-25, System Office
- e. Internal Auditing Services, FY23-25, System Office

Proposed New Policy or
Amendment to Existing Policy

Approvals Required by
Policy

Other Approvals

Monitoring/Compliance

Information

PRESENTERS

Bill Maki, Vice Chancellor for Finance and Facilities

Paul Corcoran, Assistant Vice President for Facilities Management, Minnesota State University, Mankato

Sara Frederick, Senior Director of Marketing, Minnesota State University, Mankato

Kent Stanley, Vice President for University Advancement, Minnesota State University, Mankato

Tim Anderson, System Director for Procurement and Contract Management

Amy Jorgenson, Chief Audit Officer

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: Crawford B. Hall Restroom Renovation, Minnesota State University, Mankato

BACKGROUND

Minnesota State University, Mankato (MSU) seeks board approval of a construction contract to renovate all four student bathroom suites in Crawford B Hall one of the university's residential halls. The existing bathrooms do not meet current accessibility standards and have failing plumbing infrastructure and finishes. The new bathroom suite layout will be accessible and inclusive providing a semiprivate bathroom with individual toilet and shower rooms and a combination of both. These rooms will feature full height lockable doors for privacy. The bathrooms will be completely remodeled and include the complete replacement of the failing plumbing infrastructure and tile floor.

FINANCIAL TERMS

This construction contract will be funded through MSU Residential Life operating funds within the university's Revenue Fund for an amount not to exceed \$1,700,000. Subject to board approval and design completion in March 2023, the construction contract will be publicly advertised via QuestCDN, our electronic bidding system, and awarded to the lowest responsible bidder.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to enter into a construction contract not to exceed \$1,700,000 to renovate Crawford B Hall restrooms at Minnesota State University, Mankato. The Board of Trustees directs the chancellor or their designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or the chancellor's designee to enter into a construction contract not to exceed \$1,700,000 to renovate Crawford B Hall restrooms at Minnesota State University, Mankato. The Board of Trustees directs the chancellor or their designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 01/24/23

Date Presented to the Board of Trustees: 01/25/23

Date of Implementation: 01/25/23

Contract Requiring Board Approval: Social Media Ad Placement, Minnesota State University, Mankato

BACKGROUND

This contract with Carnegie Dartlet is needed to manage Minnesota State University, Mankato's digital advertising investments. Their services are being sought in placing, managing and analyzing digital ad buys—but also in securing access to Carnegie's expertise as a higher education marketing firm, which will enhance the work to promote the university and its programs to target audiences.

The value of this contract to the university is threefold. First, it provides more robust reporting than can be created in-house, which will guide advertising decisions and allow more strategic use of ad dollars. Second, it provides more comprehensive digital advertising opportunities to others on campus looking to advertise—including the Graduate Studies and Online programs. Third, and perhaps most importantly, it provides additional support to the MSU Mankato Web Marketing Director, who has been managing all social media ads in addition to duties related to the website and organic social media. Contracting with the Carnegie Dartlet team creates additional capacity for a lean MSU Mankato marketing and communications team without adding additional costs (the contract is funded through existing dollars already allocated to digital advertising).

The benefits of this contract include enhanced reporting and analytics, which will help the marketing team make strategic decisions; an ability to be more nimble with advertising and to react in real-time to performance metrics shared by Carnegie Dartlet; and the ability to place ads for other campus entities as needed.

The overall objective is to grow enrollment through strategic, targeted digital advertising. Carnegie Dartlet's experience and expertise in higher education will help fine tune existing strategy and be more efficient in reaching prospective students. We expect to see measurable increases in requests for information, visits, applications and admits as a result of this partnership.

In addition, it is expected that this contract to allow for a more centralized approach to overall university advertising. By bringing campus partners—specifically, Graduate Education and Online—into the fold with Carnegie Dartlet, MSU Mankato will be able to better manage messaging and branding for the University.

Ultimately, this partnership with Carnegie Dartlet will help Minnesota State University, Mankato to build greater brand awareness, to enhance our audience's understanding of who we are, and to increase enrollment at the University. Specifically, Carnegie Dartlet will help place targeted advertisements that will drive engagement among target audiences in such a way that:

- Increases number of campus visits
- Increases number of applications for admission
- Increases number of admitted students
- Increases number of enrolled students

Progress made on those criteria will be reviewed annually, before renewing the contract with Carnegie Dartlet.

FINANCIAL TERMS

This contract of \$450,000 (with four one year options to renew for a total of \$2,250,000 over five years) will be paid out of an existing general fund budget that exists to cover the University's paid advertising costs. In addition, other units within the university (Graduate Education and Online, for example) will contribute dollars from their own budgets to our general fund account to cover the cost of their digital advertising campaigns, which will be managed by University Marketing and Communications. This is a new contract that is intended to run upon approval until the end of the fiscal year, with the option to renew it annually for four additional years. We do currently have an existing contract with this provider (Carnegie Dartlet) to provide similar services on a much smaller scale; that contract, which is not to exceed \$49,950.00, is effective from August 1, 2022 to June 30, 2023.

The vendor for this contract was selected through the RFP process (RFP #160605395). The process began in July 2022. Ten applications were received, and seven met qualifications. A committee of four people (Jeffrey Harris, AVP University Marketing and Communications; Sara Frederick, Senior Director of Marketing and Communications; Lindsey Beyer, Web Marketing Director; and Anders Rydholm, Assistant Director of Admissions) reviewed and evaluated the submissions beginning on August 29; the selection of Carnegie Dartlet was confirmed with Facilities Purchasing Coordinator Jill Rollings on Tuesday, September 27. There was a consensus during the committee discussion that, based on the proposals, Carnegie Dartlet offered the best price in relation to the level of service provided, which along with the scorecard, made them the clear choice.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to enter a contract with Carnegie Dartlet, not to exceed \$2,250,000 and with a term of five years for the purposes of procuring a Digital advertising partner to strategize, advise on and implement ad campaigns on social media platforms. The Finance and Facilities Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or the chancellor's designee to enter a contract with Carnegie Dartlet, not to exceed \$2,250,000 and with a term of Five years for the purposes of procuring a Digital advertising partner to strategize, advise on and implement ad campaigns on social media platforms. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 01/24/23

Date Presented to the Board of Trustees: 01/25/23

Date of Implementation: 02/01/23

Contract Requiring Board Approval: eProcurement, Contracts, and Sourcing Enterprise Software Renewal, System Office

BACKGROUND:

The contract supports JAGGAER Marketplace for procurement and contracting support. Marketplace is the source for contracting, sourcing, vendor management, and spend reporting. JAGGAER is a procure-to-pay provider in the higher education and government sectors. JAGGAER eProcurement and strategic sourcing customers gain access to suppliers on a scalable, customizable platform.

Since 2015, Minnesota State has invested more than \$4.3 million in implementation, subscription, and maintenance costs for JAGGAER's system-wide procurement system. This investment does not include the cost of Minnesota State to support, train, and provide maintenance of this procurement system. This investment has created a centralized solution for much of procurement, invoicing, contracting, sourcing, and reporting for Minnesota State spend.

The current procurement and contract management strategy being developed leverages this centralized solution to enhance and mature processes. Examples of these strategies include (not all inclusive):

1. a focus on supplier diversity so spend reflects the demographics of Minnesota State businesses,
2. vendor performance for risk mitigation,
3. sourcing events to move more toward enterprise-wide contracts (e.g., master contracts), and
4. Implementation of a formal change management process to ensure the best of quality from the Minnesota State procurement support team.

Procurement and invoicing will migrate to Workday and contracting and sourcing will remain with JAGGAER until later. Minnesota State is procuring services to provide data integration between Workday and JAGGAER to ensure seamless transition to provide procurement and contract management functions for our colleges and universities.

Extending the JAGGAER contract is in the best interest of Minnesota State to maintain a centralized solution to ensure visibility and consistency in processes and compliance with Minnesota statutes regarding procurement and contracting. The current use of a centralized procurement system allows Minnesota state to focus on the core principles of minimizing manual processes, maintaining as single system of record, and operating as a system. Minnesota State is heavily reliant on JAGGAER's e-procurement solution. Decentralizing procurement and contracting management would be disruptive and would undo seven years of process improvement and would cost Minnesota State to uncouple data and processes from JAGGAER.

FINANCIAL TERMS:

The original contract was approved by the Board of Trustees in 2015. Seven prior amendments have been approved since that time to add additional functionality and training.

The current contract expires March 28, 2023 and is not to exceed four million three hundred fifty-

six thousand four hundred forty-one dollars (\$4,356,441). The current request is for Amendment 8, which will add two years and 93 days and an additional one million five-hundred and eight, nine-hundred ninety-two dollars (\$1,508,992) to the contract that would go through June 30, 2025. The request is to increase the not to exceed amount to five million eight hundred sixty-five thousand four hundred thirty-three dollars (\$5,865,433).

The annual subscription for JAGGAER is funded through an annual assessment to our colleges and universities

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor’s designee to enter into an amendment with JAGGAER to add \$1,508,992 and two years and 93 days to bring the total contract to a term of nine years through June 30, 2025, and not to exceed amount of \$5,865,433 for the purposes of providing e-procurement solutions. The Finance and Facilities Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or the chancellor’s designee to enter into an amendment with JAGGAER to add \$1,508,992 and two years and 93 days to bring the total contract to a term of nine years through June 30, 2025, and not to exceed amount of \$5,865,433 for the purposes of providing e-procurement solutions. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 01/24/2023
Date Presented to the Board of Trustees: 01/25/2023
Date of Implementation: 01/25/2023

Contract Requiring Board Approval: External Auditing Services, FY23-25, System Office

BACKGROUND

Minnesota State plans to enter into a three-year contract with CliftonLarsonAllen.

The purpose of this contract will be to provide external auditing services for Minnesota State for four financial statements audits for three fiscal years 2023, 2024 and 2025. Additional requested services include Uniform Guidance compliance audits of major federal programs, including student financial aid for three fiscal years 2023, 2024 and 2025, “Top 5” IT Security Domains Control Assessment for fiscal year 2025, completion of NCAA Agreed Upon Procedures at six universities for fiscal year 2024, and individual college and university Perkins Loans Closeout audits as needed.

FINANCIAL TERMS

This will be a new three-year contract with the right to extend the contract up to an additional three years as necessary in order to serve the best interests of the Minnesota State.

A competitive bidding process began in September 2022 to acquire external auditing services for three fiscal years with the right to extend the contract up to an additional three years as necessary in order to serve the best interests of the Minnesota State. Proposals were due on November 9, 2022. The Chief Audit Officer and the Vice Chancellor for Finance and Facilities led a team to review proposals and identify external auditing firm(s) to recommend to the Board of Trustees for the above system audits.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor’s designee to enter a contract with CliftonLarsonAllen, not to exceed \$1,343,500 over the course of three years for the purpose of providing external auditing services. The Finance and Facilities Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or the chancellor’s designee to enter a contract with CliftonLarsonAllen, not to exceed \$1,343,500 over the course of three years for the purpose of providing external auditing services. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 01/24/23
Date Presented to the Board of Trustees: 01/25/23
Date of Implementation: 01/25/23

Contract Requiring Board Approval: Internal Auditing Services, FY23-25, System Office

BACKGROUND

The Office of Internal Auditing plans to enter into a five-year contract with Baker Tilly to provide co-sourced strategic internal auditing services for a total amount not to exceed \$3 million.

The purpose of this contract is to provide supplemental internal audit services with an established rate structure. The types of services and work requested will include but are not limited to, operational, financial, information technology, compliance audits, risk assessments, fraud investigations, advisory and consulting, program evaluation, data analytics, and professional training.

FINANCIAL TERMS

In 2017 it was decided that six open positions in the Office of Internal Auditing would not be filled in order to bring in the flexibility of external expertise. Each fiscal year salary savings of \$600,000 are set aside for an internal auditing services contract. This proposed contract is not to exceed \$3,000,000.00 over the life of the five-year contract.

An RFP was published in September 2022 with a deadline of November, 9, 2022. Proposals were sought from parties interested in providing supplemental internal audit services with an established rate structure. The types of services and work requested will include but are not limited to, operational, financial, information technology, compliance audits, risk assessments, fraud investigations, advisory and consulting, program evaluation, data analytics, and professional training. For each project on an as-needed basis, Minnesota State will provide the selected vendor with a project description by means of a Work Order, which will formally authorize the vendor to proceed with the work and establish the terms of compensation for each project.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to enter a contract with Baker Tilly Virchow Krause, LLP, not to exceed \$3,000,000.00 over the course of five years for the purposes of providing Internal Auditing Services. The Finance and Facilities Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD MOTION

The Board of Trustees authorizes the chancellor or the chancellor's designee to enter a contract with Baker Tilly Virchow Krause, not to exceed \$3,000,000.00 over the course of five years, for the purposes of providing internal auditing services. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.

Date Presented to the Finance and Facilities Committee: 01/24/23

Date Presented to the Board of Trustees: 01/25/23

Date of Implementation: 01/25/23