

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance, Facilities and Technology **Date of Meeting:** May 20, 2009

Agenda Item: Desire2Learn Contract Approval

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|--|---|---|-------------------------------------|
| <input type="checkbox"/> Proposed
Policy Action | <input checked="" type="checkbox"/> Approval
Required by
Policy | <input type="checkbox"/> Other
Approvals | <input type="checkbox"/> Monitoring |
|
<input type="checkbox"/> Information | | | |

Cite policy requirement, or explain why item is on the Board agenda:

Board Policy 5.14, Procurement and Contracts, requires prior approval by the Board of Trustees for contracts exceeding \$2,000,000. The proposed action item is for Board approval to renew the software licensing and professional/technical services contract with Desire2Learn, estimated to total \$3,200,000 through the end of August 2012.

Scheduled Presenter(s): Alfred Essa, Associate Vice Chancellor – Deputy CIO
Scott Goings, Assistant General Counsel

Outline of Key Points/Policy Issues:

Desire2Learn software is the core enterprise technology used in support of all Minnesota State Colleges and Universities credit and non-credit courses. Renewal of the Desire2Learn contract is endorsed by the IMS Advisory Council, an advisory committee comprised of representative faculty, students, and administration.

Background Information:

Minnesota State Colleges and Universities entered into a five year contract with Desire2Learn, Inc, beginning in October 1, 2003. The contract included an option to renew for five additional one year terms. The proposed action item seeks Board approval to exercise the renewal option for four additional one year terms until August 31, 2012.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION
Desire2Learn Contract Approval

BACKGROUND

Board Policy 5.14, Procurement and Contracts, requires prior approval by the Board of Trustees for contracts exceeding \$2,000,000. The proposed action item is for Board approval to renew the software licensing contract with Desire2Learn (D2L), estimated to total \$3,200,000 through the end of August 2012.

Minnesota State Colleges and Universities entered into a five year contract with Desire2Learn, Inc, beginning in October 1, 2003. The contract included an option to renew for five additional one year terms. The proposed action item seeks Board approval to exercise the renewal option for four additional one year terms until August 31, 2012.

Minnesota State Colleges and Universities licenses Instructional Management System (IMS) software from Desire2Learn. The D2L software is the core enterprise technology used in support of all credit and non-credit courses, including online. The system’s IMS installation is one of the largest in the country and is being provisioned to support up to 400,000 active users. Usage of the system has grown approximately 10% - 15% annually during the past 5 years.

Renewal of the Desire2Learn contract is endorsed by the IMS Advisory Council, an advisory committee comprised of faculty, students, and administration. Users are generally satisfied with the D2L system.

In anticipation of the contract expiration in August 2012, the IMS Advisory Council has also begun to put in place a review and evaluation process for selecting the “IMS of the Future” through a new RFP.

The annual contract with Desire2Learn is estimated at \$750,000. The base contract, consisting primarily of license and maintenance fees, is approximately \$600,000. ITS also anticipates an additional \$150,000 annually for premium technical support and services, including campus training.

Proposal

The proposed action item seeks Board approval to renew the contract until August 31, 2012.

Procurement

Four Year Investment (Projected)

Item	Year 1	Year 2	Year 3	Year 4	Total
Base Contract	\$590,750	\$590,750	\$590,750	\$590,750	\$2,363,000
Additional Fees	\$144,000	\$144,000	\$144,000	\$144,000	\$ 576,000
Contingency*	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 200,000
Total	\$784,750	\$784,750	\$784,750	\$784,750	\$3,139,000

***Contingency.** The contingency line item is to accommodate prices increases and emergency services. Increases in the contract price cannot exceed the greater of either 10% or the increase in the Annual CPI for All Urban Consumers (CPI-U) published by the Department of Lab’s Bureau of Labor Statistics.

RECOMMENDED COMMITTEE ACTION

The Finance/Facilities Policy Committee recommends that the Board of Trustees approve renewing the current contract until August 31, 2012 between Minnesota State Colleges and Universities and Desire2Learn, Inc for estimated total expenditures not to exceed \$3,200,000. The Board directs the Chancellor or his designee to execute all necessary documents.

RECOMMENDED BOARD OF TRUSTEES ACTION

The Board of Trustees approves renewing the current contract until August 31, 2012 between Minnesota State Colleges and Universities and Desire2Learn for total expenditures not to exceed \$3,200,000. The Board directs the Chancellor or his designee to execute all necessary documents.

Date Presented to the Board: May 20, 2009