

POLICY – EXPENDITURES

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Dept. Responsible: All Divisions and Departments

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I. Policy:

The Metropolitan Council will expend funds consistent with the public purpose doctrine, governing laws, rules, and regulations. Expenditures must be within the approved annual operating or capital budgets and consistent with established policies and procedures. No expenditures shall be made without approval by the Council, Regional Administrator or Division Directors/General Managers, or others within delegated authority.

The Regional Administrator may delegate expenditure authority and develop expenditure procedures consistent with this policy.

A. Expenditures for the Procurement of Goods and Services

The Regional Administrator is authorized to:

1. Accept or reject any offer for any procurement of goods or services valued at not more than ~~\$50250,000~~; and
2. Accept or reject any offer for any procurement of construction or design-build services valued at not more than ~~\$24,500,000~~, provided that:
 - a) the project for which the services are required is included in the Council-adopted capital program;
 - b) the amount of the offer the Regional Administrator would accept is less than the engineer's cost estimate plus 10% and/or a review of the Engineers Estimate is evaluated to determine why it is over the 10% with General Manager or Division Director approval; ~~and~~
 - c) sufficient funds are available in the capital program budget to complete the resulting contract; ~~and~~
 - e) 3. Set the Micro Purchase (or single bid) level at \$5,000.

Each quarter, the Regional Administrator shall ensure that a report is made to the Council, through the Management Committee, on all procurements valued between \$100,000 and \$250,000 and \$250,000 and \$500,000.

B. Expenditures for Incremental Amendments to Contracts for Goods and Services

The Regional Administrator is authorized to amend contracts and increase the Contract Prices in the following amounts:

1. For any non-construction contract with an original Contract Price of ~~\$50250,000~~ or less, the Regional Administrator, or to staff as delegated, may increase the Contract Price by an aggregate amount up to a maximum of ~~\$250550,000~~ (10%);
2. For any non-construction contract with an original Contract Price of **more** than ~~\$500250,000~~, the Regional Administrator may increase the Contract Price by an aggregate amount of: ~~-up to 10% of the original Contract Price; or, \$100,000, whichever is less; and~~

3. For any construction or design-build contract with an original Contract Price of \$2,500,000 or less, the Regional Administrator, or staff as delegated, may increase the Contract Price by an aggregate amount up to a maximum of \$2,625,000 (5%);
4. For any construction or design-build contract with an original Contract Price of \$2,500,000 or more, the Regional Administrator may increase the contract Price up to a maximum of 5%; or
- ~~2-5. As otherwise delegated by the Council.~~

3. ~~For any contract for construction services or design-build services, the Regional Administrator may increase the Contract Price as follows:~~
 - a) ~~a cumulative amount of \$50,000, where the original Contract Price was less than or equal to \$1,000,000;~~
 - b) ~~a cumulative amount of 5% of the original Contract Price, where the original Contract Price was greater than \$1,000,000; or~~
- e) ~~as otherwise delegated by the Council.~~

C. Emergency Expenditures

The Regional Administrator is authorized to declare an emergency on behalf of the Council, if it is determined by the Regional Administrator that an emergency situation exists. An emergency situation exists when:

1. the health, safety or welfare of the public, including Council employees or facilities, is compromised or potentially compromised and remedial action is necessary or desirable; or
2. A significant cost savings is immediately available through circumstances previously unknown and requires prompt action to take advantage of the situation.

The Regional Administrator may authorize appropriate contracts and payments necessary to meet the emergency situation provided that, if the cost to correct the emergency situation totals \$100,000 or more, the emergency declaration shall also be presented to the appropriate committee for formal ratification at its next regular meeting.

D. Expenditures for the Acquisition of Real Property

The Regional Administrator is authorized to approve the expenditure in the aggregate amount of up to ~~\$50~~\$250,000 for an individual acquisition, and no more than a total of ~~\$50~~\$250,000 for multiple acquisitions related to or part of the same project, for:

1. the acquisition of parcels real property;
2. the acquisition of interests in real property, such as easements and leases; or
3. the acquisition of personal interests in real property, such as licenses and permits.

Where the Council has approved the acquisition of real property at its appraised value, the Regional Administrator is authorized to approve the expenditure of up to \$250,000 in settlement costs for each parcel.

This Expenditures Policy does not authorize the Regional Administrator to initiate any condemnation proceeding without prior approval by the Metropolitan Council.

The Minnesota Department of Transportation (MNDOT) may, as part of a Cooperative Agreement between the Metropolitan Council and MNDOT, acquire the right-of-way needed for the Central Corridor Light Rail Transit (CCLRT) Project. Please see the following link for a summary of the Metropolitan Council's oversight authority in relation to MNDOT's acquisition of the right-of-way needed for the CCLRT project and a comparison to the Metropolitan Council's existing policy for land that it acquires. [expenditures policy.doc](#)

E. Expenditures for Contracts with Other Governmental Entities

The Regional Administrator is authorized to enter into contracts with other governmental entities for the expenditure of amounts not exceeding \$~~5025~~0,000.

II. Purpose of policy:

This policy provides direction for the management and responsibility of expending public funds of the Council.

III. Background and reasons for policy:

Council Resolution No. 96-53, Public Purpose

Minnesota Statutes, Section 12.37, Political subdivision's powers to fast provide emergency aid

Minnesota Statutes, Section 473.504 Subdivision 12, Pacts with other governments

IV. Implementation/Accountability:

The Regional Administrator is expected to establish the framework and accountability for the effective implementation of this policy.

Implementing Procedures:

- 3.3a [Food and Refreshment](#)
- 3.3b [Petty Cash](#)
- 3.3c [Delegation of Procurement and Contract Authority](#)