

Management Committee

Meeting date: May 27, 2020

For the Metropolitan Council meeting of June 10, 2020

Subject: Micro Purchase Thresholds Increase

District(s), Member(s): All Districts; All Members

Policy/Legal Reference: Minn. Stat. §§ 473.142, 471.345; Council Procurement Policy

Staff Prepared/Presented: Jody Jacoby, Procurement Director 651-602-1359

Division/Department: Regional Administration/Procurement

Proposed Action

That the Metropolitan Council approve Business Item No. 2020-152 to increase the threshold for micro purchase for all funding types from \$5,000 to \$10,000; and, increase the threshold micro purchase for locally funded projects only, when purchasing from a Metropolitan Council Underutilized Business (MCUB) from \$10,000 to \$25,000. That the Metropolitan Council direct Council staff to: make appropriate modifications to Policy–Procurement (Section/Number 3-4-3) and Policy–Inclusion of Disadvantaged Business Enterprises (DBEs) and Metropolitan Council Underutilized Businesses (MCUBs) (Section/Number 3-4-6); and make corresponding modifications to the Metropolitan Council’s MCUB program procedures and other procurement procedures or contracting requirements.

Background

Metropolitan Council procurements are governed by the Uniform Municipal Contracting Law (Minnesota Statutes, section 471.345) allowing the Council to set its micro purchase level up to \$25,000. Increasing the micro purchase thresholds will also increase contracting opportunities for small businesses participating in the Council’s MCUB Program.

Rationale

Increasing the dollar threshold for micro purchases will streamline the procurement process by reducing the need to solicit competitive price quotations, as long as the price is reasonable. This will expedite the completion of low-dollar purchases and minimize the associated administrative burden and cost. For MCUBs, this increased micro purchase level will further promote and enhance opportunities for contracting with the Council. The increase supports the Metropolitan Council’s MCUB annual goal commitment in alignment with the council-wide strategy of reducing disparities

Thrive Lens Analysis

Increasing the dollar thresholds for contracts for goods and services is consistent with the Council’s *Thrive* Equity Outcome and will promote equity by using the Council’s influence and investments to build a more equitable region.

Funding

No funding is tied to the proposed action. Funding for individual contracts for goods and services are covered in the Council’s budget.

Known Support / Opposition

There is no known opposition to the proposed action.