



Construction & Design Build Contracts Threshold Increase

Jody Jacoby, Director of Procurement



August 1, 2022

14-2 Expenditures Policy

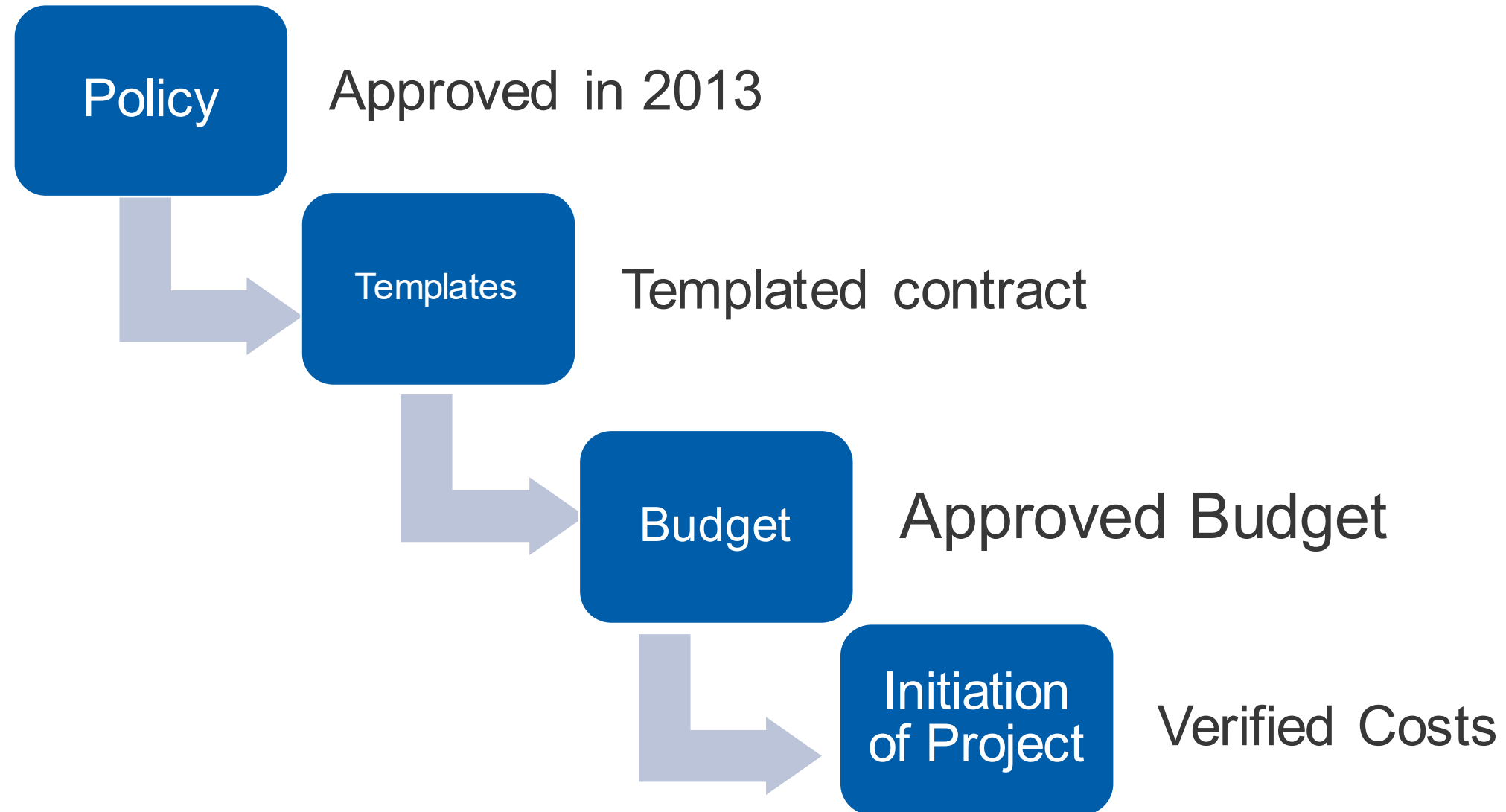
Request is to increase authority for construction or design build from \$2,500,000 to \$10,000,000

Expenditures for the procurement of goods and services

The Regional Administrator is authorized to perform the actions identified below.

1. Accept or reject any offer for any procurement of goods or services valued at not more than \$500,000
2. Accept or reject any offer for any procurement of construction or design-build services valued at not more than ~~\$2,500,000~~ \$10,000,000 that meet these identified conditions.
 - a. The project for which the services are required is included in the Metropolitan 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% or a review of the engineer's estimate is evaluated to determine why it is over the 10% with General Manager or Division Director approval.
 - c. Sufficient funds are available in the capital budget to complete the resulting contract.

Policy History



Market Volatility

- Supply Chain Shortages
- Price Volatility
- Labor Shortage
- Fewer Bids



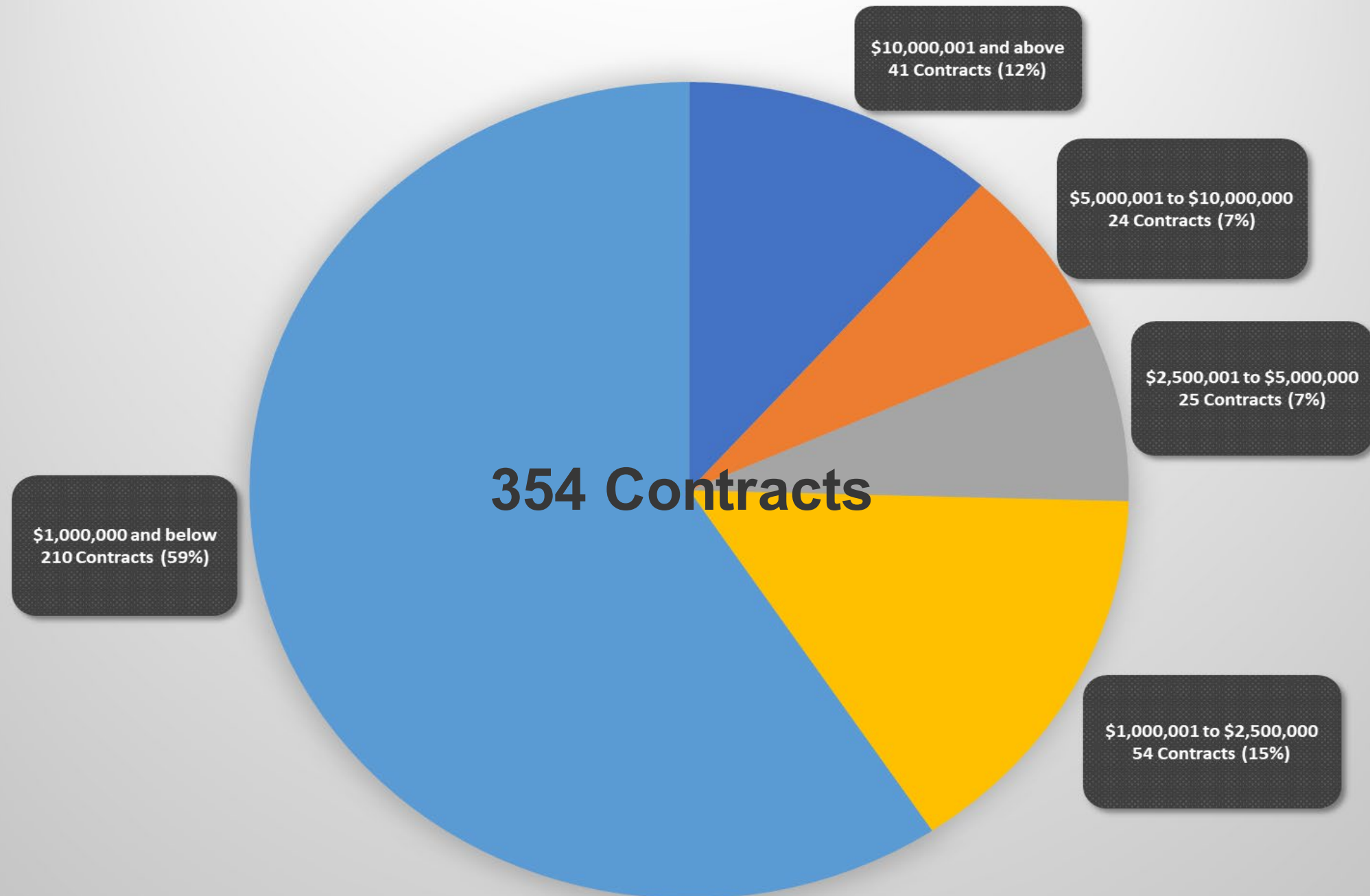
Impact to Small Business

- Less capital to float price increases
- Less capital to float extended solicitation processes
- Timing is critical

Intent to Reduce Bid Validity Timeframe

- Bid Validity = Bid opening to contract execution
- Commitment to price and terms
- Peer agencies bid validity
- Reduce Council bid validity to 45 days

Analysis of Data



Proposed Action

That the Metropolitan Council adopt the attached version of FM 14-2, Expenditures for the Procurement of Goods, Services and Real Estate Policy and authorize the Regional Administrator to award construction and design-build contracts where:

(a) The value of the contract does not exceed \$10,000,000;