

2025 Policy Updates



October 22, 2025

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Overview

2 Policies to Change

1. OEE0 5-1 Promoting Small Business Programs and Addressing Discrimination
2. FM 14-1 Procurement Policy

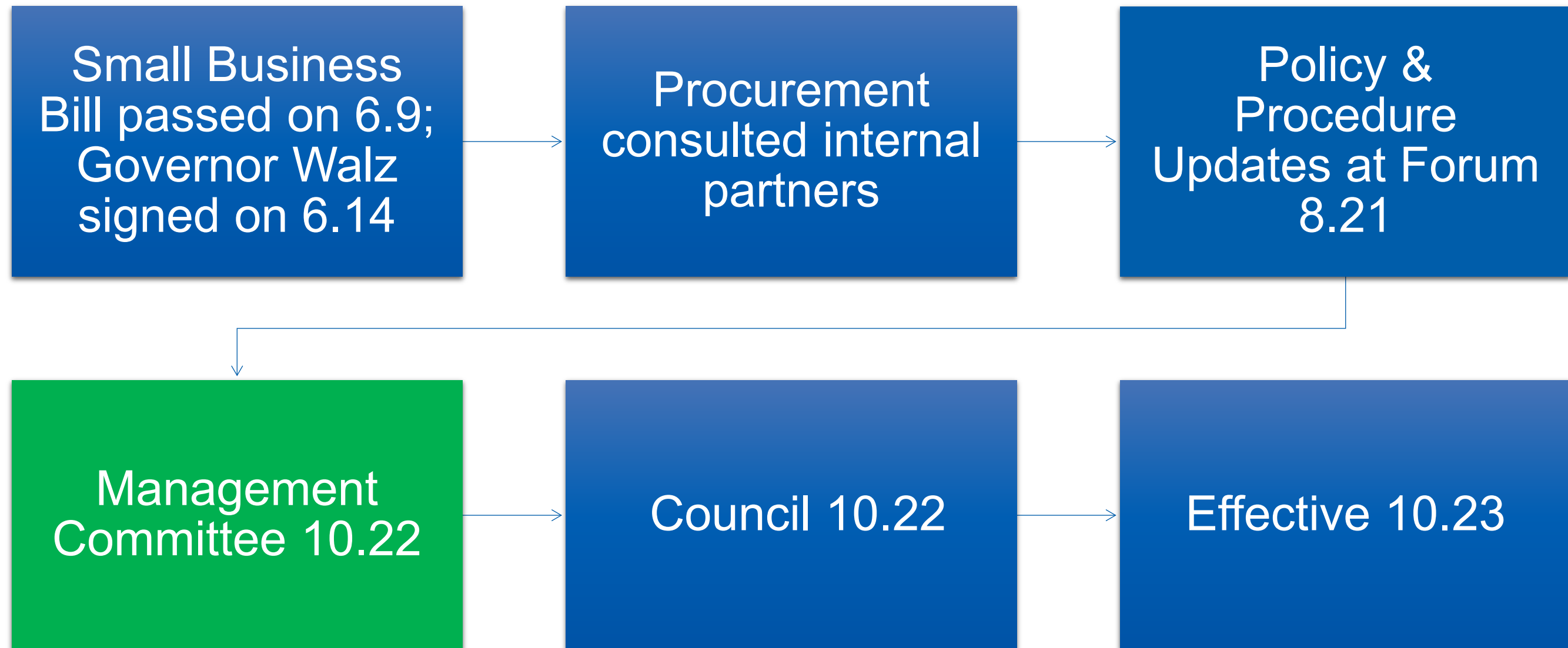
3 Focuses of Change

1. Updates to Small Business policy and related procedure
2. Updates to procurement thresholds
3. General housekeeping

2 Change Drivers

1. Legislative updates that expanded Metropolitan Council procurement flexibilities to match State of MN
2. Need to clarify legal authority behind small business program

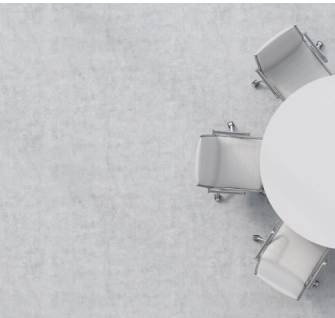
Roadmap



Focus 1: Small Business Programs



Background – Small Business Programs



Metropolitan Council Underutilized Business (MCUB)



MCUB Direct

- Sole Source



MCUB Select

- Sheltered market



Preference Percentage

Legislative Updates from 2025 Regular Session

MN Statute 473.142

- Allows direct negotiation for construction/maintenance work by obtaining 2 or more quotes
 - Threshold: Increase from \$175,000 to \$250,000

MN Statute 473.129

- Direct award to small targeted group businesses/veteran-owned small businesses
 - Threshold increase from \$25k to \$100k
- Sheltered market:
 - Now includes construction
 - Includes veteran-owned small businesses
 - \$ threshold removed
- Preference percentage
 - Increase from 6% to 12%
 - Now includes construction

Small Business Procedure Changes

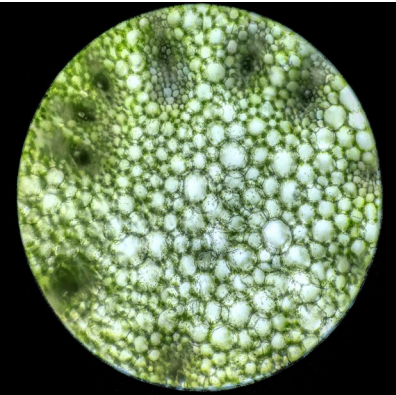


Contract Type	Current Value	Proposed Value
MCUB Preference	6% Goods and general services	12% Goods, general services, and construction
MCUB Direct	\$25,000	\$100,000
MCUB Select	\$175,000	\$175K Threshold removed + Added Veteran Certification + construction

Focus 2: Update Procurement Thresholds



Background – Procurement-related Thresholds

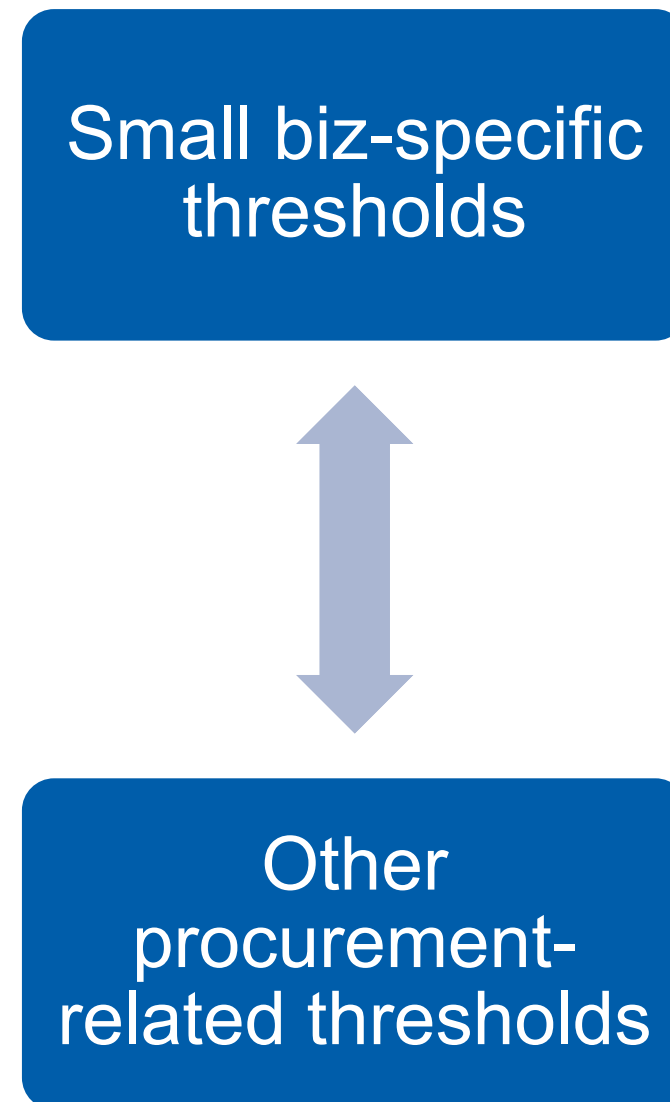


Micro purchase

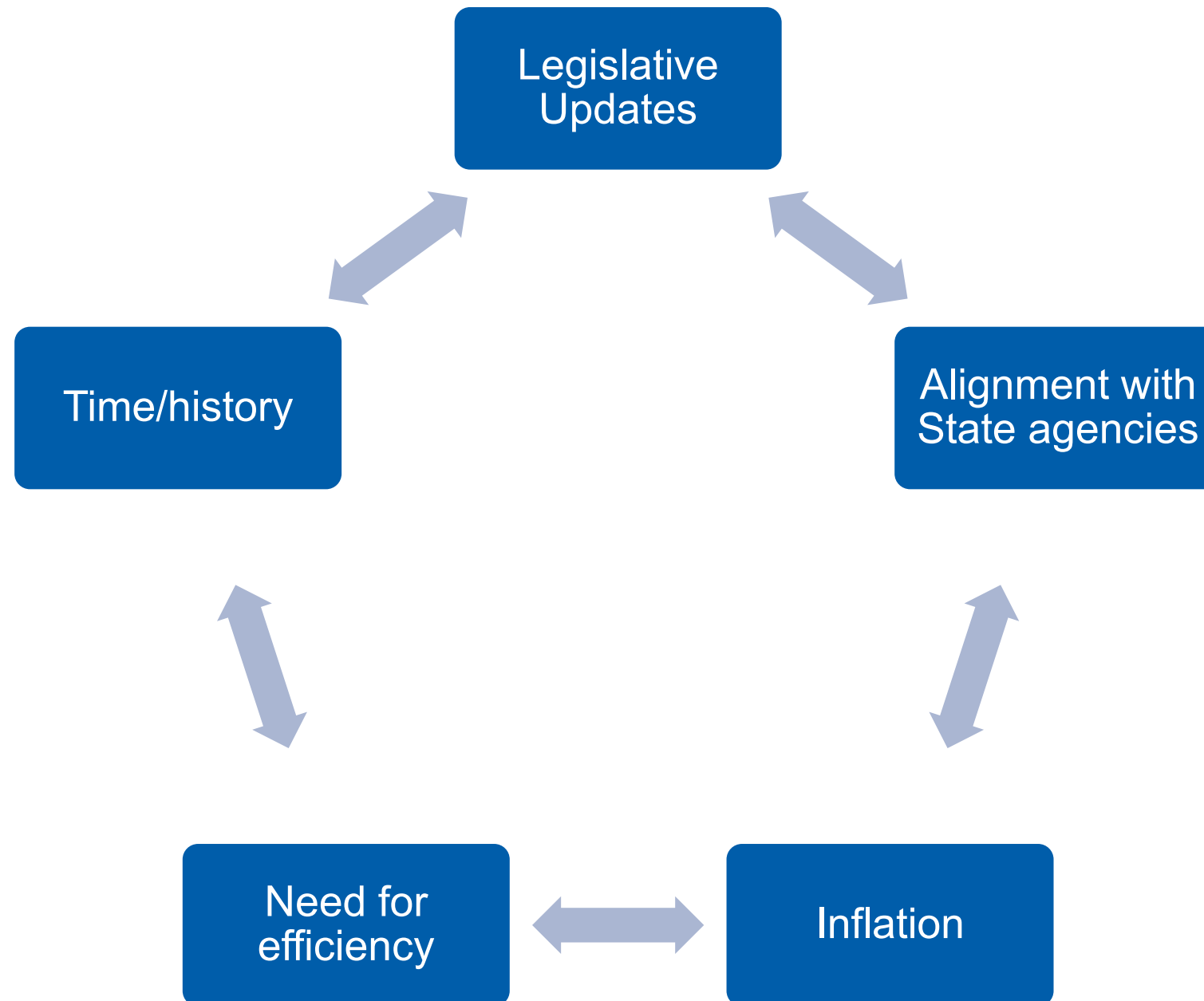


Small purchase

Procurement Thresholds are Interlinked



Interlinked Causes



Procurement Policy/Procedure Changes

Threshold Type	Current Value	Proposed Value	Authority for change
Micro purchase	- Federal: \$10,000 - Local: \$10,000 - MCUB: \$25,000	- Federal: \$10,000 (no change) - Local: \$25,000 (match MN agencies) - MCUB: \$100,000	- N/A - MN Statute 471.345 - MN Statute 473.142
Small purchase	All: \$175,000	- Other than construction/maintenance: \$175,000 - Construction or maintenance: \$250,000	- N/A - MN Statute 473.129, Subd. 13

Focus 3: General Housekeeping



Improvements to Policy Documents



Clean up

Fixing broken links
Providing more clarity



Future-proofing

Job titles instead of individuals
References to related policy instead of restating language



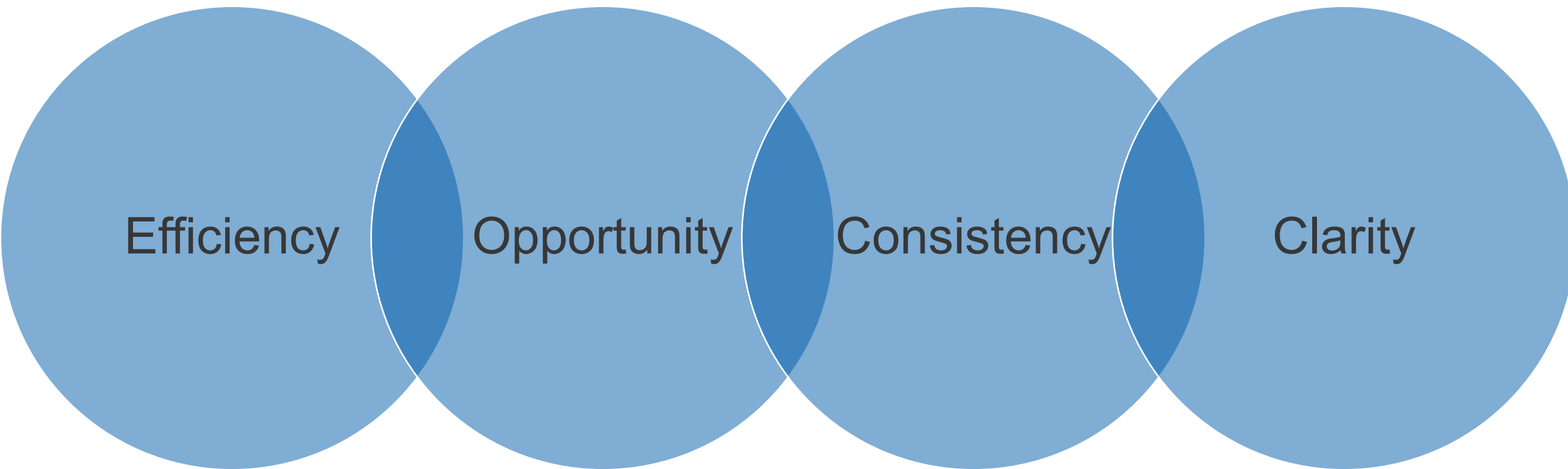
High-level

Removing procedures from policy documents
Including clearer justification and authority for small business programs

Impacts



Positive Changes



Requested Council Action



Approve Business Item 2025-263

OEE0 5-1 Promoting Small Business Programs and Addressing Discrimination

- Provides clear legal authority for small business programs
- Downstream procedural changes
 - Increasing thresholds
 - Increasing preference percentages



Approve Business Item 2025-252

FM 14-1 Procurement Policy

- Adjusts micro purchase threshold for MCUBs and Locally Funded projects
- Adjusts small purchase threshold for Construction and Maintenance projects
- Alignment with State of MN statutes
- Alignment with OEE0 5-1



Questions

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