

# Committee Report

Management Committee



**Committee Meeting Date:** June 12, 2024

**For the Metropolitan Council:** June 26, 2024

## Business Item: 2024-160

FM 14-2 Expenditures for the Procurement of Goods, Services, and Real Estate Policy

### Proposed Action

That the Metropolitan Council adopt FM 14-2 Expenditures for the Procurement of Goods, Services, and Real Estate Policy version six.

### Summary of Management Committee Discussion/Questions

Motion moved by Barber, seconded by Lilligren. Motion carried.



# Business Item

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## Business Item: 2024-160

FM 14-2 Expenditures for the Procurement of Goods, Services, and Real Estate Policy

**District(s), Member(s):** All Districts: All Members  
**Policy/Legal Reference:** Minn. Stat. §§ 473.123 Subd. 4(d)  
**Staff Prepared/Presented:** Jody Jacoby, Chief Procurement Officer, 651-602-1144  
Kelly Jameson, Director of Real Estate, 651-602-1556

**Division/Department:** Regional Administration/Procurement/Real Estate

### Proposed Action

That the Metropolitan Council adopt FM 14-2 Expenditures for the Procurement of Goods, Services, and Real Estate Policy version six.

### Background

Version six of FM 14-2 clarifies that real estate acquisitions and settlements before condemnation exceeding one million must be approved by the Council and settlements after condemnation are governed by Metropolitan Council Bylaws, Article IV, Section F. Additionally, clarifying that when the initial offer for real estate acquisition is under one million, Council action is not required unless the administrative settlement value exceeds the initial offer by more than \$500,000.

This version also adjusts the construction signature authority change order thresholds from 2.5 million to 10 million. Increasing the construction change order signature authority levels to those approved by the Council is an administrative cleanup, and aligns with the Council's previously approved action, taken in Business Item No. 2022-251, to raise the Council construction approval threshold to exceeding 10 million.

### Rationale

Minnesota Statutes section 473.123, subdivision 4(d), permits the Metropolitan Council to adopt policies and procedures governing its operations. These revisions clarify the policy, align with best practices and previously taken Council action.

### Thrive Lens Analysis

Increasing the signature authority construction contract approval amounts promotes the Council's Thrive Prosperity and Equity outcomes by making the construction procurement process quicker. All contractors, but especially our Metropolitan Council Underutilized Businesses and Disadvantaged Business Enterprise partners, benefit from shorter spans between bidding and being awarded contracts, especially in periods of significant pricing fluctuation.

Additionally, Council project offices and property owners whose land is needed to support projects benefit from settlements before condemnation that don't require Council action.

### **Funding**

No funding is tied to the proposed action.

### **Small Business Inclusion**

As stated above, increasing the signature authority for construction contract approvals will help the small business community.

