

Business Item

Management Committee



Committee meeting date: October 22, 2025

For the Metropolitan Council: October 22, 2025

Business Item: 2025-252 SW

2025 Policy Update, FM 14-1

District(s), member(s): All
Policy/legal reference: FM 14-1 Procurement Policy
Staff prepared/presented: Jody Jacoby, Chief Procurement Officer, Procurement 651-602-1144
Division/department: Regional Administration/Procurement

Proposed action

That the Metropolitan Council adopt the attached version of the following policy:

- FM 14-1 Procurement Policy

Changes to FM 14-1 Procurement Policy are driven by recent legislative updates that expanded procurement flexibilities related to small business programs and construction/maintenance contracts. These legislative updates allow certain thresholds (for “micro purchases” and “small purchases”) to be increased. These thresholds affect whether competitive quotes/proposals/bids are needed in order to purchase goods and services for the Council, as well as whether public solicitation is required. Additionally, language pertaining to small and disadvantaged businesses has been reworded.

The proposed changes to procurement-related thresholds are as follows:

- Increase the micro purchase limit from \$10,000 to \$25,000 for locally funded projects (non-MCUB)
- Increase the micro purchase limit for locally funded MCUB purchases from \$25,000 to \$100,000
- Increase the small purchase threshold for construction and maintenance projects from \$175,000 to \$250,000

Background

The 2025 Regular Session of the Minnesota Legislature adopted changes to MN Statutes 473.129 and 473.142, which increased the Metropolitan Council’s flexibilities for procuring construction and maintenance services and for procuring from small, targeted group businesses and veteran-owned small businesses. These flexibilities had been similarly authorized for State of MN agencies in 2023.

MN Statute 471.345 Uniform Municipal Contracting Law authorizes a micro purchase threshold up to \$25,000, which the State of MN already utilizes. In order to align with the State and in light of the increase to the micro purchase threshold for MCUBs cited above, FM 14-1 increases the micro purchase threshold for locally funded projects (non-MCUB) to \$25,000. The threshold was last adjusted in 2020 in Business Item 2020-152, which increased the micro purchase threshold (non-

MCUB) from \$5,000 to \$10,000, and the micro purchase threshold (MCUB) from \$10,000 to \$25,000. The micro purchase threshold for federally funded projects will remain at \$10,000.

Rationale

The suite of policy changes will increase consistency, opportunity, and efficiency. By adopting the procurement flexibilities as permitted by statute, the Council will have authority consistent with state agencies such as MnDOT. The State has already benefited from these flexibilities; these tools will similarly allow the Council to promote MCUB participation and procure goods and services more efficiently. Operational divisions will be able to serve the public more nimbly and respond to time-sensitive matters more quickly as a result of a more agile procurement process.

Thrive lens analysis

On Feb. 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. Under the Thrive lens, this action advances the outcomes of Stewardship, Equity, and Prosperity by expanding small and disadvantaged business participation and by expediting the procurement process. Shortening procurement lead times is good for Met Council operational divisions, Regional Administration staff, the public, and the vendor community.

Funding

No funding is tied to the proposed action.

Small business inclusion

The proposed changes will have positive impacts on the small businesses that work on Council projects by expanding the types of work and value of projects that can be procured under the MCUB program. Shortening procurement lead times will help the small business community more efficiently and effectively schedule their operations.



POLICY

Procurement Policy

FM 14-1

Category: Financial Management

Business Unit Responsible: RA: Procurement

Policy Owner: Chief Procurement Officer

Policy Contact: Chief Procurement Officer

Synopsis: This policy defines the methods of procurement the Council will use to procure the goods and services required to meet its needs and fulfill its mission.

POLICY

The Metropolitan Council will procure goods and services in a manner that is economical, efficient, straightforward, equitable, and which complies with all applicable federal and state laws and regulations and Council policies and procedures.

Methods of procurement

The Council will use the following methods of procurement based upon the value. Procurements cannot be split to avoid competition.

Micro purchases

A micro purchase is a procurement:

- 1) Valued up to \$10,000 for federally funded projects; or
- 2) Valued up to \$25,000 for locally funded projects; or
- 3) Valued up to \$100,000 when purchasing from a Metropolitan Council Underutilized Business (MCUB) vendor with only local funds.

A micro purchase can be made without obtaining competitive quotations or proposals. Council staff will ensure that the price is fair and reasonable.

Small purchases

A small purchase is a procurement:

- 1) Valued at greater than the applicable micro purchase threshold up to \$175,000 for projects other than construction or maintenance; or
- 2) Valued at greater than the applicable micro purchase threshold up to \$250,000 for projects that are construction- or maintenance-related

A small purchase can only be made after obtaining an adequate number of quotations, bids, or proposals from qualified sources, in accordance with applicable law and Council procurement procedures.

Large purchases

A large purchase is a procurement valued at greater than either:

- \$175,000 (for projects other than construction or maintenance); or
- \$250,000 (for construction or maintenance projects)

The Council will make large purchases by publicly soliciting bids or proposals in accordance with Council procurement procedures and as required by Minnesota Statutes.

Joint purchasing agreements

The Council has the authority to enter into joint purchasing agreements with other governmental units as provided for in Minnesota Statutes. Procurements made through joint purchasing agreements satisfy the Council's competitive procurement requirements.

Interagency agreements

Interagency agreements can be made between the Council and a governmental unit. Interagency agreements include joint power agreements.

Joint power agreements

All joint power agreements under [Minnesota Statutes section 471.59](#) must be approved by Council action.

Contract amendments

Contract amendments greater than 10% of the original value of the contract will be considered separate procurements and will be supported by the appropriate competitive process.

Noncompetitive purchases

Noncompetitive purchases can be made under the following circumstances:

- For micro purchases
- Where the Regional Administrator or the Council has declared an emergency, in accordance with Council policies and procedures
- Where a [sole source justification](#) has been approved, in accordance with Council policies and procedures
- Where the goods or services are not available through a competitive process, such as utilities, subscriptions, professional dues and memberships, insurance, conference and seminar registration, permits and licenses, advertisements in publications, taxes, required federal, state, and local fees and charges, etc.
- Where the contract is for services of consultants who perform engineering, legal, or professional services under Minnesota Statutes Section 473.129, subd. 3.
- Interagency agreements

Small and Disadvantaged businesses

The Metropolitan Council seeks to reduce and remedy the impacts of illegal discrimination through its procurement and contracting activities. In accordance with Council Policy OEE0 5-1 and applicable federal and state laws and regulations, the Council will utilize small businesses and businesses owned and controlled by socially and economically disadvantaged individuals in the procurement of goods and services and the award of contracts. The Council directs staff to utilize the statutory tools and best practices outlined in Policy OEE0 5-1 and related Council procedures in their procurements and contracts, including the tools enumerated in Minnesota Statutes section 473.142 and other applicable law.

Deviations

Approval to deviate from this policy must be documented and authorized by the Regional Administrator or by other Council staff as delegated by the Regional Administrator in accordance with Council policies and procedures.

Prohibited interests in contracts

The Council may not enter into any contract or purchase order for goods or services in which a Council member, Council employee, or their immediate family members (as defined by the Bylaws of the Metropolitan Council) has an indirect or direct personal financial interest or will personally benefit financially from the contract or purchase order. In exceptional cases and if permitted by applicable law or regulation, this policy may be waived by the division leader for good cause after consulting with the Office of General Counsel.

PURPOSE & SCOPE

The intent of this policy and its supporting procurement procedures is to ensure that the procurement process complies with all applicable legal requirements and federal and state regulations, is fair to all participants, is as efficient as possible without eliminating needed controls, is understandable to all users, is administratively consistent with other Council policies and procedures, and maximizes the use of small and disadvantaged businesses whenever possible.

IMPLEMENTATION & ACCOUNTABILITY

All employees are responsible for adhering to this policy when procuring goods and services. Managers are responsible for monitoring adherence to this policy. Implementing procedures, guidelines, and rules are published on the [Council's Procurement Intranet page](#).

PROCEDURES

- [FM 14-1a Procurement Procedure](#)
- [FM 14-1b Classification of Independent Contractors Procedure](#)
- [FM 14-1c Conflicts of Interest Regarding Selections of Consultants and Vendors](#)
- [FM 14-1d Micro Purchases Procedure](#)

RESOURCES

Statutory Resources

- [Minnesota Statutes section 471.59](#)
- [Minnesota Statutes section 473.129, subd. 3](#)
- [Minnesota Statutes section 473.142](#)

Internal Resources

- [Procurement \(MetNet\)](#)

Forms

- [Sole Source Justification](#)

HISTORY

Version 11 – Approval Date ([Business Item 2021-326](#))

07/21/2021 – Revised to increase procurement thresholds and clarify language.

Version 10 – Template Update

10/12/2020 - Updated content into new template.

Version 9 – Approval Date ([Business Item 2020-152](#))

06/10/2020 – Revised to increase the procurement thresholds.

Version 8 – Approval Date ([Business Items 2019-360 and 2019-29](#))

01/01/2020 – Revised to increase the procurement thresholds.

Version 7 – Approval Date ([Business Item 2013-268](#))

10/16/2013 – Revised to increase the micro purchase level and spending authorities.

Version 6 – Approval Date

08/01/2008 – Revised to reflect changes in [Minnesota Statute section 471.345](#).

Version 5 – Approval Date

08/01/1999 – This policy revision incorporates FTA best practices in accordance with a Procurement System Review conducted.

Version 4 – Approval Date

09/01/1998 – Incorporated additional changes developed through a procurement study project.

Version 3 – Approval Date

12/01/1997 – Revised and reissued.

Version 2 – Approval Date

09/01/1996 – Revised and reissued.

Version 1 – Approval Date

06/01/1995

Last Reviewed Date

09/01/2022

Next Content Review Date

07/15/2023

Former Reference #

3-4-3

Version

11

POLICY

Procurement Policy

FM 14-1

Category: Financial Management

Business Unit Responsible: RA: Procurement

Policy Owner: ~~Director of Chief~~ Procurement ~~Officer~~

Policy Contact: ~~Jody Jacoby, Chief~~ Procurement ~~Officer~~ ~~Director~~

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The Metropolitan Council will procure goods and services in a manner that is economical, efficient, straightforward, equitable, and which complies with all applicable federal and state laws and regulations, and Council policies and procedures.

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A micro purchase is a procurement:

- 1) Valued up to \$10,000 for federally funded projects; or
- ~~1)2) Valued up to \$1025,000 for locally funded projects all funding types; or~~
- ~~3) Valued up to \$10025,000 when purchasing from a Metropolitan Council Underutilized Business (MCUB) vendor with only local funds; or-~~
- ~~2) Valued up to \$100,000 when purchasing from a Veteran Owned Small Business (VOSB) with only local funds.~~

A micro purchase can be made without obtaining competitive quotations or proposals. Council staff will ensure that the price is fair and reasonable.

Small purchases

A small purchase is a procurement:

- 1) Valued at greater than the applicable micro purchase threshold up to \$175,000 for projects that are not construction or maintenance related; or
- ~~1)2) Valued between \$10,001 up to \$250175,000 for all funding types; or Valued at greater than the applicable micro purchase threshold up to \$250,000 for projects that are construction or maintenance related~~
- ~~2)3) _____~~
- ~~3) Valued between \$10025,001 up to \$250175,000 if from an MCUB vendor.~~

A small purchase can only be made after obtaining an adequate number of quotations, bids, or proposals from qualified sources, in accordance with applicable law and Council procurement procedures.

Large purchases

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- \$175,000 (for projects other than non-construction or maintenance projects); or
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- For micro purchases
 - Where the Regional Administrator or the Council has declared an emergency, in accordance with Council policies and procedures
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 - Where the goods or services are not available through a competitive process, such as utilities, subscriptions, professional dues and memberships, insurance, conference and seminar registration, permits and licenses, advertisements in publications, taxes, required federal, state, and local fees and charges, etc.
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~~The Council will, in accordance with applicable federal and state laws and regulations, act affirmatively to create a "level playing field" for women-owned, minority-owned, veteran-owned, and disadvantaged~~

~~business enterprises to achieve the goal of equal opportunity. Staff are directed to utilize the statutory tools and best practices available to reduce barriers and increase opportunities for such businesses, including those tools enumerated in Minnesota Statutes section 473.142.~~

Deviations

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