

Business Item

Transportation Committee



Committee meeting date: October 27, 2025

For the Metropolitan Council: November 12, 2025

Business Item: 2025-257

Material Management Warehouse Facility Design, Contract 25P078

District(s), member(s):	District 7, Yassin Osman
Policy/legal reference:	FM 14-2 Expenditures for the Procurement of Goods, Services, and Real Estate Policy
Staff prepared/presented:	Lesley Kandaras, Metro Transit General Manager, 612-349-7513 Nick Thompson, Deputy General Manager, 612-349-7507 James Harwood, Assistant Director, Engineering and Facilities, 612-349-7339 Robert Rimstad, Manager, Engineering and Facilities, 612-349-7768 Mark Oelrich, Project Coordinator, Engineering and Facilities, 612-349-7135
Division/department:	Metro Transit / Engineering & Construction

Proposed action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute contract 25P078 with Mohagen Hansen Architecture for the material management warehouse facility design and construction support services, in an amount not to exceed \$892,665.

Background

Metro Transit has purchased a newly constructed warehouse facility. The main structure contains a gross building area of 182,323 square feet. The underlying land area is 437,361 square feet, or 10.04 acres. The grounds surrounding the subject structure are improved with 100 parking stalls, 20 trailer parking spaces, a rear dock loading/unloading area, EV charging stations, and landscaping. All these improvements are new as construction of this facility started in 2023 and finished in 2024. Metro Transit staff have determined that the building will mitigate existing and future materials warehousing space deficits and purchased the building at 755 Industrial Blvd NE in September 2024.

Currently most of the centralized materials, parts storage, and warehousing occur at the Overhaul Base (OHB) Materials Management Warehouse and a secondary leased satellite warehouse. The build-out of this new warehouse will be large enough to accommodate all Material Management warehouse functions in one location, eliminating the need for separate hubs for bus (currently at OHB) and LRT (currently at a leased facility in Roseville). It will address the existing storage area deficiencies, deficiencies in truck delivery circulation, and exterior loading dock areas. It will make space available at the Overhaul Base for ongoing increases in capacity and needed efficiency focused on articulated bus maintenance. In addition, the new facility will provide the necessary storage space for the Facilities Operations Group's inventory items.

The proposed build-out of the new warehouse would allow Metro Transit to:

- Consolidate Material Management operations to a single facility.
- Optimize the use of space and existing resources.

- Enhance efficiency, productivity, and collaboration between Metro Transit employees and departments.
- Improve employee satisfaction and retention.
- Accommodate current and future needs of the Material Management department.

Rationale

Eight (8) bids were received, and the Evaluation Panel recommended Mohagen Hansen Architecture be awarded the contract. The award and execution of a goods and services procurement in excess of \$500,000 requires Council approval.

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, the successful consolidation of the Material Management operations will advance the following objectives: This action promotes a Dynamic and Resilient Region by ensuring people and business will have a transportation infrastructure and service that will be reliable with more predictable travel times. The build-out of this new Material Management facility will provide additional support for the future expansion of transitways and continued growth of ridership demand. It will also help to advance the objective of providing an Equitable and Inclusive Region by supporting the expansion of services.

Funding

Funding for this contract is included in Metro Transit project 64301 and is available in the Council's authorized capital budget.

Small business inclusion

The Office of Equity and Equal Opportunity (OEEO) assigned a Metropolitan Council Underutilized Business (MCUB) goal of 10% for this solicitation. OEEO determined that the firm being recommended for award has met the MCUB requirements of this contract.

