

M Management Committee

For the Metropolitan Council meeting of December 9, 2009

ADVISORY INFORMATION

Date Prepared: November 20, 2009

Subject: Expenditure Policy Revisions

Proposed Action:

That the Metropolitan Council approve the revision to Policy 3-3 – Expenditures raising the Regional Administrators authorization level in emergency declarations from \$50,000 to \$100,000.

Summary of Committee Discussion / Questions:

It was asked if the Management Committee is relinquishing too much authority. Staff explained that increasing the Regional Administrator's authorization level for emergency declarations from \$50,000 to \$100,000 matches the 2008 Uniform Municipal Contracting Law's formal solicitation level and the Management Committee would be notified of emergency declarations on a quarterly basis.

The Management Committee unanimously approved this request.

M Management Committee
Meeting date: November 18, 2009

ADVISORY INFORMATION

Date: November 6, 2009
Subject: Expenditure Policy Revisions
District(s), Member(s): All
Policy/Legal Reference: Policy 3-3 Expenditures and MN Statute 471.345;
Uniform Municipal Contracting Law
Staff Prepared/Presented: Micky Gutzmann, Manager CPU
Division/Department: Finance

Proposed Action

That the Metropolitan Council approve the revision to Policy 3-3 – Expenditures raising the Regional Administrators authorization level in emergency declarations from \$50,000 to \$100,000.

Background

The Expenditures Policy 3-3, C. Emergency Expenditures section authorizes the Regional Administrator to contract and make “payments necessary to meet the emergency situation provided that, if the cost to correct the emergency situation totals \$50,000 or more, the emergency declaration shall also be presented to the appropriate committee for formal ratification at its next regular meeting.”

In 2008 the Uniform Municipal Contracting Law raised the dollar amount for formal solicitations from \$50,000 to \$100,000. Staff would like to increase the emergency formal ratification limit to \$100,000 to coincide with the Uniform Municipal Contracting Law’s formal solicitation limit. Staff believes that the intent of the \$50,000 limit in the Expenditures Policy for ratification was based on the Uniform Municipal Contracting Law limit for formal solicitation.

Rationale

This increase in authorization will reflect the current formal solicitation dollar amount level in the Uniform Municipal Contracting Law. With the rising cost of goods and services, the need to get ratification on emergency declarations at an amount lower than \$100,000 has increased. It isn’t because the emergency is larger than in the past but rather a like service costs more now. As a result, ratification is needed now where it wasn’t needed a couple of years ago for the exact same work. By increasing the ratification dollar amount staff will still be bringing the appropriate level of emergency declaration for ratification and allowing the lesser dollar amount emergencies for the Regional Administrator.

On a quarterly basis the purchasing department reports procurements to the Management Committee summarizing procurements for the preceding quarter. This report gives a breakdown of the number of procurements executed during the reporting period grouped by value, and details of all procurements which have a value greater than \$100,000 but less than or equal to \$250,000. It is on this report that the Emergency Declaration category will be included and reported.

Funding

Projects are billed to individual departments and projects are needed.

Known Support / Opposition

The Policy Committee has reviewed this change and concurs.