

M Management Committee

Information
Item: 2007-371

Meeting date: November 14, 2007

ADVISORY INFORMATION

Date:	October 17, 2007
Subject:	Review of Council Procurement Policy
District(s), Member(s):	All
Policy/Legal Reference:	Procurement Policy 3-4-3
Staff Prepared/Presented:	Richard Halsted, 651-602-1038 Christopher Gran, 612-349-5060
Division/Department:	Council/Procurement

In July 2006 an overview of the Council's Procurement Policy and Procedures was presented to the Metropolitan Council. At that time it was determined that the Management Committee would review the Procurement Policy, at the discretion of the Management Committee Chair – at least every 4 years. This information item satisfies that requirement.



POLICY - PROCUREMENT

Section/Number: 3-4-3	Total Pages: 3
Dept. Responsible: All Divisions and Departments	Effective Date: 9/11/98
Special Note: Supersedes all previous procurement policies	Revision No. 1 (1/1/01)

I. Policy:

The Metropolitan Council will procure the goods and services required to meet its needs and fulfill its mission. The Council will procure goods and services as economically as feasible, in a manner that is efficient, straightforward, and equitable and which complies with all federal, state, and local laws and regulations and all other Council policies.

Methods of Procurement

The Council will use the following Methods of Procurement.

Micro Purchases Procurements valued at less than \$2,500 will be considered *Micro Purchases*, and can be made without obtaining competitive quotations or proposals. Council staff will ensure that the price is fair and reasonable. Procurements will not be split to avoid competition.

Small Purchases Procurements valued between \$2,500 and \$100,000 will be considered *Small Purchases*, and will be made after obtaining an adequate number of quotations, bids, or proposals from qualified sources, in accordance with Council procurement procedures. Formal bids will be solicited for certain *Small Purchases* valued at greater than \$50,000 as required by Minnesota Statutes.

Major Purchases Procurements valued at greater than \$100,000 will be considered *Major Purchases*, and will be made by publicly soliciting bids or proposals in accordance with Council procurement procedures.

Master Contracts *Master Contracts* will be created with vendors to allow the Council to make repetitive purchases of similar types of goods or services on an as-needed basis in an efficient and economical manor. Procurements made through *Master Contracts* will satisfy the Council's competitive procurement requirements.

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* will satisfy the Council's competitive procurement requirements.

Contract Amendments Contract amendments valued at 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 total value of the purchase is less than \$2,500
- 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 procurement is for goods or services not available competitively, 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.

Disadvantaged Businesses

The Metropolitan Council will utilize businesses owned and controlled by socially and economically disadvantaged individuals in the procurement of goods and services, and the award of contracts.

The Council will, in accordance with authority granted by federal regulations, state statute, and local laws and ordinances, act affirmatively to create a "level playing field" for women-owned, minority-owned and disadvantaged business enterprises to achieve the goal of equal opportunity.

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.

II. Purpose of policy:

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 disadvantaged business whenever possible.

III. Background and reasons for policy:

The Council adopted an overall procurement policy effective June 1, 1995. In September of 1996 and December of 1997, that policy was revised and reissued. The policy was again revised in September of 1998, incorporating additional changes developed through a procurement study project. This policy revision incorporates FTA best practices in accordance with a Procurement System Review conducted in August of 1999.

Joint power procurements are authorized by Minnesota Statutes Section 471.59.

IV. Implementation/Accountability:

All employees are responsible for adhering to this policy when purchasing goods or services. Managers are responsible for monitoring performance within their areas of jurisdiction. The purchasing work units and the Contracts and Documents Unit are responsible for reporting deviations to appropriate management. Implementing procedures, guidelines and rules are contained in the Contracts and Materials Management User Manual and the Council's Intranet page.