

# Procurement Overview

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**Metropolitan Council**

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# Presentation Outline

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- **Procurement Requirements**
- **Procurement at the Council**
- **Ensuring Compliance**

# State Requirements

## ■ **Minn. Stat. 471.345: Uniform Municipal Contracting Law**

- Met Council is considered a municipality/city and is subject to the Statute
- Requires award to the lowest responsive responsible bidder for supplies, materials and equipment; in contrast, State Agencies award based on Best Value
- Applies to goods and some services with a total value greater than \$50,000: requires sealed bidding process

# State Requirements cont.

## ■ Recent Legislation

- 2007 Legislation modified the Uniform Municipal Contracting Law to allow **Construction** and some service contracts to be awarded based on Best Value; similar to the authority of State Agencies
- Best Value includes an evaluation of price and other considerations including, but not limited to, environmental considerations, quality and vendor performance

- **Minn. Stat. 473.915:** Requires the Council to notify the Legislative Advisory Commission when a Council procurement of over \$125 million is being considered.

# Federal Requirements

## ■ Federal Transit Administration

- FTA Circular 4220.1E
  - 54 procurement standards, e.g.,
    - Buy America
    - Brooks Act
    - Full and Open Competition
    - FTA Flow-down clauses
- Council Oversight of FTA-funded projects
- Council certifies compliance annually
- FTA conducts Triennial Reviews and Procurement System Reviews to ensure compliance

# Federal Requirements cont.

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## ■ Public Facilities Authority

- MCES uses PFA funding for capital projects
- Federal Funds dispersed by the State
- Includes many State and Federal requirements

# Council's Procurement Policy & Procedures

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- **Procurement Policy approved by the Council**
- **Procurement Procedures approved by Senior Management**
  - Incorporate State and Federal laws and regulations
  - Reviewed by staff and then approved by the Procedure Steering Committee

# Council Procurement

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## ■ **Contracts and Procurement Unit**

- Environmental Services; Regional Administration

## ■ **Metro Transit Purchasing and Contract Services**

- Metro Transit; Metropolitan Transportation Services; coordinated role with Central Corridor & Northstar

## ■ **Office of General Counsel**

- Provides standard procurement and contract templates
- Provides legal guidance

## ■ **Procurement Steering Committee**

- CFO, GM Transit, GM MCES, General Counsel
- Provides oversight of Council procurement activities



# Methods of Procurement

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## ■ **Low Bid Process**

- Goods and Equipment
- Construction Services
- May use a two-step prequalification/bid process
- Awarded to lowest responsive responsible bidder

## ■ **Competitive Proposal Process**

- Professional and Technical Services
- Consultant Services
- Architectural & Engineering Services
- Transit Services
- Awarded to proposal most advantageous to the Council

# Methods of Procurement cont.

- **Up to \$50,000: Metropolitan Council Procedures**
- **Over \$50,000: State Statutes Govern Process**
  - Low Bid Process: Invitation For Bids (IFB)
    - Over \$50,000 for goods, equipment, and some services
    - Advertised, sealed bid; award to lowest responsive, responsible bidder
  - Competitive Proposal Process: Request for Proposals (RFP)
    - Over \$100,000 for professional/technical services
    - Advertised, proposal process
    - Evaluation Panel recommends proposal most advantageous to the Council
    - Regional Administrator is authorized to negotiate

# Methods of Procurement cont.

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- **Emergency Declaration**
- **Sole Source**
  - Used only in defined circumstances
  - Requires justification and approvals
- **Cooperative Purchasing Ventures**

# Vendor Requirements for Low Bid Process

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- **Responsible Bidder**

- Technical and financial capability

- **Responsive Bidder**

- Responsive to requirements of the solicitation

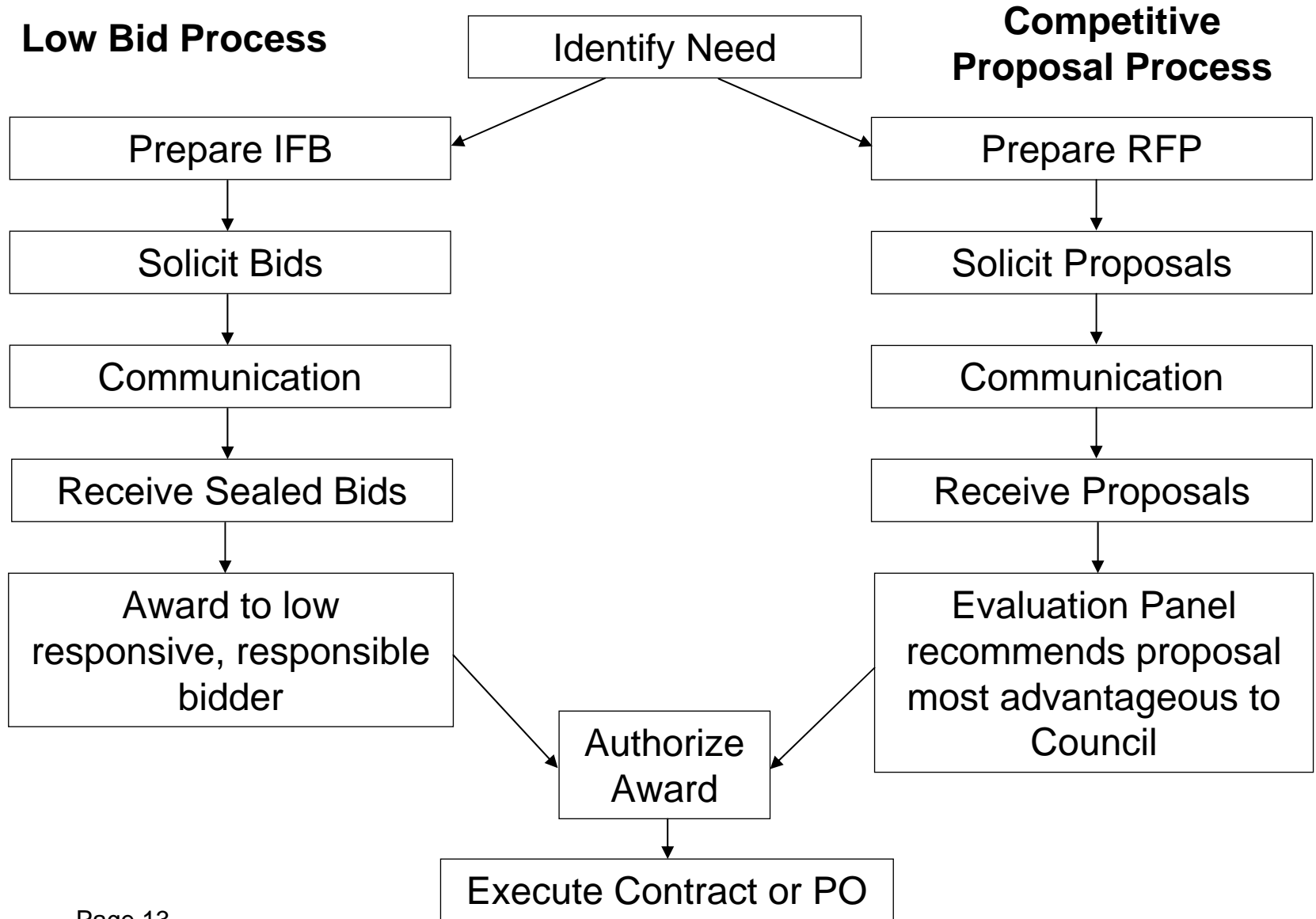
- **All questions regarding an IFB are to be directed only to the IFB Administrator.**

- Bidders may be disqualified if any unsolicited contact related to this IFB is made with an employee or representative of the Council other than the IFB Administrator during the bid process

# Vendor Requirements for Competitive Proposal Process

- **A statement of qualifications and relevant firm experience**
- **A detailed work plan addressing each of the tasks in the Scope of Work**
- **A detailed price proposal executed by an officer of the proposing firm**
- **All questions regarding this RFP are to be directed only to the RFP Administrator.**
  - Proposers may be disqualified if any unsolicited contact related to this RFP is made with an employee or representative of the Council other than the RFP Administrator during the proposal process.

# Procurement Process



# Annual Procurement Activity

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## ■ Combined Procurement Activity

- 20,000 Purchase Orders: \$20 million
- 160-175 Contracts: \$300 million

## ■ Protests

- Average 2.5 per year since 2000
- Formal policy and procedure for the filing of a protest
- Appeals process

# Compliance with Policy and Procedures Ensures:

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- **Integrity in the purchasing process**
- **Fiscal Responsibility**
  - Public funds expended appropriately
- **Support for the Council's Mission**
  - Procurement of quality goods and services at competitive prices
- **Disadvantaged Business Enterprise (DBE) firm participation**
- **Communication is controlled to eliminate unfair advantages**



# Recent Reviews

- **FTA Procurement System Review of Northstar: in progress**
- **FTA Financial Management Oversight Review: 2007**
- **State Auditor: annual review**
- **FTA Triennial Review: most recent 2006**
- **Internal Audit: most recent program evaluation 2005, provides ongoing specific reviews**
- **National Institute of Governmental Purchasing: 2005**
- **FTA Procurement System Review of Council: 1999, 2005**

# Next Steps

- **Management Committee to Review Council Procurement Policy**
  - At the discretion of the Management Committee Chair – At least every 4 years
  - Include changes in State and Federal laws and regulations
  - Briefing on procurement procedures
- **Review need for Statutory Changes**
  - Uniform Municipal Contracting Law v. changes in State Procurement Statutes
- **On-line Solicitation**
  - Vendor Registration and Notification
  - Downloadable Solicitation Documents
- **Deliver Evaluation Panel Training**