

Management Committee

Meeting date: September 8, 2010

ADVISORY INFORMATION

Date:	August 30, 2010
Subject:	Authorization to Award a Price Preference for Uniform and Safety Equipment Purchases
District(s), Member(s):	All
Policy/Legal Reference:	Minnesota Statutes section 181.986
Staff Prepared/Presented:	Christopher Gran 612-349-5060 Micky Gutzmann 651-602-1741
Division/Department:	All

Proposed Action

That the Metropolitan Council apply a price preference to the bid amount for uniforms and safety equipment, as required by Minnesota Statutes § 181.986 (2009), Required Equipment and Apparel. This price preference shall be set at five percent and will only be applied to the first \$500,000 of the response.

Background

Minnesota Statutes § 181.986(b) establishes the following requirement when public employers purchase uniforms and safety equipment: "Preference must be given to purchases from manufacturers who pay an average annual income, including wages and benefits, equal to at least 150 percent of the federal poverty guideline adjusted for a family size of four."

Currently, the Council does not provide a price preference on any purchases. In order to comply with this state law, the Council must establish a preference that will apply to the bids of required uniforms and safety equipment. The Council will apply this preference only after manufacturers either directly, or through a retailer, certify to their wage and benefit rate.

The state has set a 5 percent preference for manufacturers of uniforms and safety equipment who meet the requirements in Minnesota Statutes § 181.986(b).

All state preferences apply only to the first \$500,000 of the response.

Based on a review of state preference programs, a 5 percent preference for Council purchases of uniforms and safety equipment, applied to the first \$500,000 of a bid response, is reasonable.

In addition to requiring a preference, Minnesota Statutes § 181.986(b) also requires public employers to purchase uniforms and safety equipment manufactured in the United States, unless similar items are not manufactured or available in the United States. Staff will work with Office of General Counsel to ensure that Council uniform and safety equipment procurements comply with the state law.

Rationale

This preference is to comply with Minnesota Statutes § 181.986(b).

Funding

Funds for uniform and safety equipment purchases will be included in budgets. The funding implications would be to inform operating managers the possibility of the \$25,000 potential preference cost impact. (5% of \$500,000=\$25,000).

Known Support / Opposition

None