

Committee Report

Management Committee



Committee meeting date: September 9, 2026

For the Metropolitan Council: September 23, 2026

Business Item: 2026-135

2026 Policy Update, FM 14-1

Proposed action

That the Metropolitan Council:

1. Increase the micro purchase threshold for federally funded procurements from \$10,000 to \$25,000;
2. Certify that the change is justified and consistent with State law;
3. Authorize the Regional Administrator to self-certify the increased federal threshold on an annual basis;
4. Adopt the attached version of FM 14-1 Procurement Policy; and
5. Direct staff to update any related procedures or other documentation.

Summary of Management Committee discussion/questions

Council Member Cedarberg asked a question to confirm that there would not be a negative impact on MCUB vendors. Council Member Jenkins asked whether the federal micro purchase threshold would remain consistent or whether it may change from project to project. Council Member Lilligren asked how frequently a funding source changes (e.g. from locally funded to federally funded) during procurement planning. Upon being satisfied on these points, a request for a motion was made.

Motion by Lilligren; seconded by Jenkins. Motion carried.



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District(s), member(s): All

Policy/legal reference: FM 14-1 Procurement Policy

Staff prepared/presented: Jody Jacoby, Chief Procurement Officer, Procurement
Kaye Wierzbicki, Principal Contract Administrator, Procurement

Division/department: Regional Administration/Procurement

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Background

Change to Micro Purchase Threshold for Federally Funded Procurements

The current federal micro purchase threshold, as established in the Federal Acquisition Regulation (FAR), was recently updated from \$10,000 to \$15,000 (see [FAR 2.101](#)). The Code of Federal Regulations (CFR) permits public sector recipients of federal dollars to establish their own micro purchase thresholds in an amount greater than the federal government's micro purchase threshold, as long as the threshold remains under \$50,000 and is "consistent with State law." [CFR 200.320\(a\)\(1\)\(iv\)\(C\)](#). Because Minnesota law permits a micro purchase threshold up to \$25,000 ([Minn. Stat. § 471.345, subd. 5](#)), the Metropolitan Council is permitted to increase its own micro purchase threshold for federally funded procurements up to \$25,000, as long as the organization provides an annual self-certification.

Definition of "Adequate" Number of Price Quotations for Small Purchases

Changes to FM 14-1 Procurement Policy include the addition of a definition of the "adequate" number of price quotations, which requires staff to obtain at least two quotations for purchases below the small purchase threshold. A "no quote" response from

a vendor does not count toward the minimum. Previous Council procedures for small purchases recommended soliciting at least three quotations from vendors (but at times allowing a “no quote” response to count toward the minimum). The CFR allows recipients of federal dollars to exercise judgment in determining what is considered an “adequate” number of quotes for small purchases. [CFR 200.320\(a\)\(2\)\(i\)](#). Minnesota law permits small purchases after obtaining “two or more quotations [. . .] when possible.” [Minn. Stat. § 471.345, subd. 4](#). It is therefore permitted for Metropolitan Council small purchases to be awarded after receipt of two price quotations from responsible, capable vendors, for both locally- and federally-funded procurements.

Rationale

In aligning Metropolitan Council policy with what is permissible under Federal and State law and regulation, this revision provides staff with the flexibilities needed to make small, low-risk purchases quickly. As the organization’s Procurement needs continue to grow, it is important to ensure staff are empowered to make sound business judgments, particularly for micro and small purchases, which carry the lowest amount of risk.

Currently, the Council has 3 micro purchase thresholds: 1) federally funded (\$10,000); 2) non-MCUB locally funded (\$25,000); and 3) MCUB locally funded (\$100,000). The change to the micro purchase threshold for federally funded procurements brings the threshold into alignment with the micro purchase threshold for non-MCUB locally funded procurements, which reduces the number of separate micro purchase thresholds from three to two. It is estimated that this policy change will allow roughly 25-30 purchases annually to be streamlined, saving administrative time and effort. Simplifying thresholds helps improve compliance and minimize confusion when staff make purchasing decisions.

The change to the definition of the “adequate” number of quotations for small purchases maintains the need to obtain competitive pricing without forcing requestors or Procurement staff to arbitrarily solicit a third quotation in circumstances where there may only be two capable vendors who provide the good or service to our locality. At the same time, staff may need to contact more than three vendors in order to obtain the required two quotations depending on market conditions. This refined definition shifts the focus from the number of vendors to *solicit* to the number of quotes to *obtain*. This allows staff to make judgment calls based on their expertise and knowledge of the applicable market while also preserving competition.

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, this action advances the outcomes of Stewardship and Prosperity. By simplifying Procurement policies and shortening Procurement Action Lead Times for micro and small purchases, these changes allow the organization’s needs to be met more quickly and efficiently. Efficient procurements help the business community, Council staff, and the general public.

Funding

No funding is tied to the proposed action.

Small business inclusion

There are no direct impacts to small businesses with the proposed action. The Office of Civil Rights and Small Business Programs reviews procurements at or above \$50,000 for DBE goals.

