

LOCAL VENDOR PREFERENCE PROCUREMENT POLICY EXPANSION UPDATE

FINANCE DEPARTMENT

Finance Committee
December 11, 2024

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Background

“Evolution of Local Preference Policies”

- 1991: 1% local preference for goods purchases.
- 2003: Local preference increased to 5% for goods.
- 2012: Community Benefit Program template for Design-Build contracts.
- 2020: Overview presented to Committee.
- 2021: Organizational plan received and filed.
- 2023: Finance Department outlines existing policies and recommendations.
- 2024: City Council approved 5% LVP expansion for Services and Professional Services.



Discussion

"Policy Changes Summary"

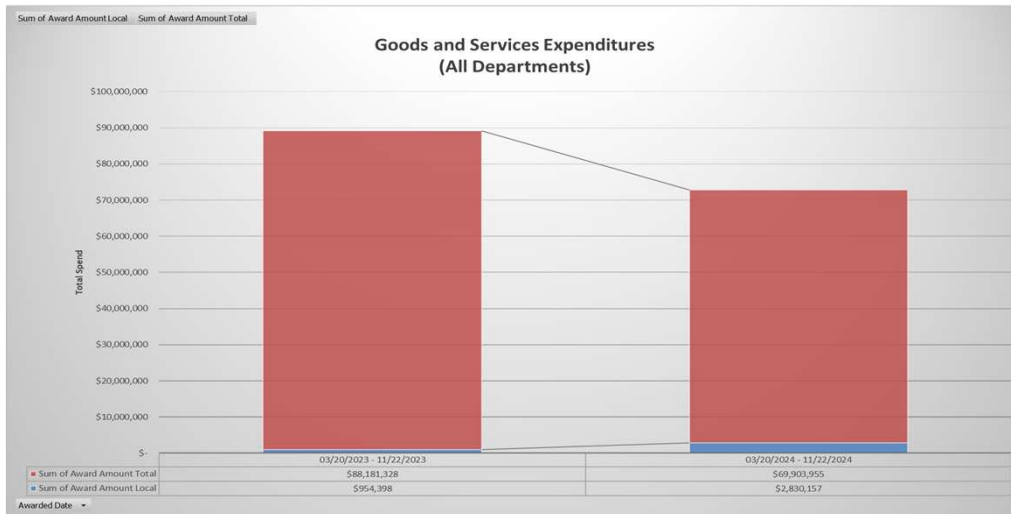
- **Goals:** Increase local business participation, particularly in Services and Professional Services.
- **Key Revisions:**
 - **Goods Purchases:** Criteria unchanged (local sales tax, City Business License).
 - **Services & Professional Services:** Tiered approach:
 - Level 1: <\$10K - Single quote, good-faith outreach.
 - Level 2: \$10K-\$50K - 3 quotes, 5% local preference.
 - Level 3: >\$50K - 5% preference in formal bids.
 - Locality prioritized in informal and formal procurements.
- **Exceptions:** Construction projects, emergency contracts, cooperative purchases, utility expenditures.



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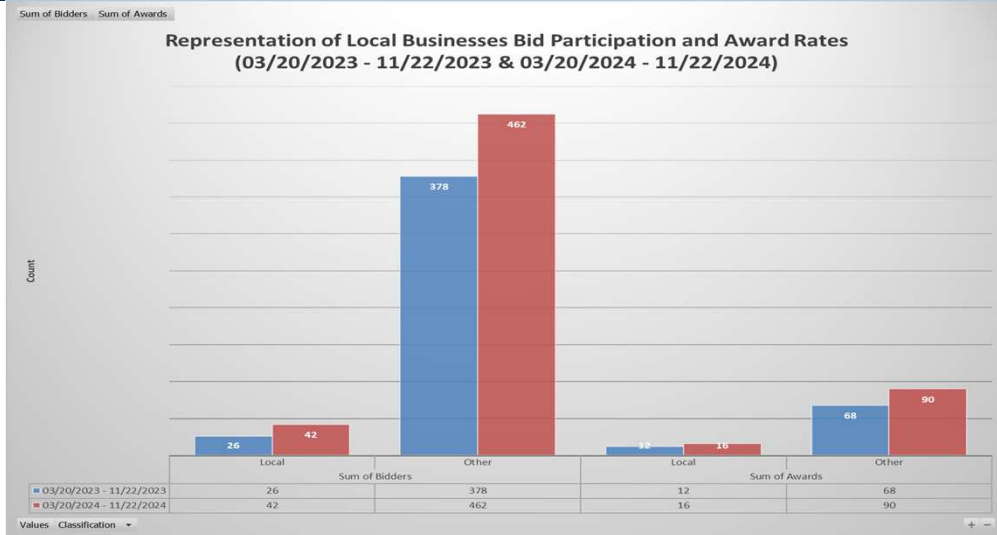
Impact on Local Spending



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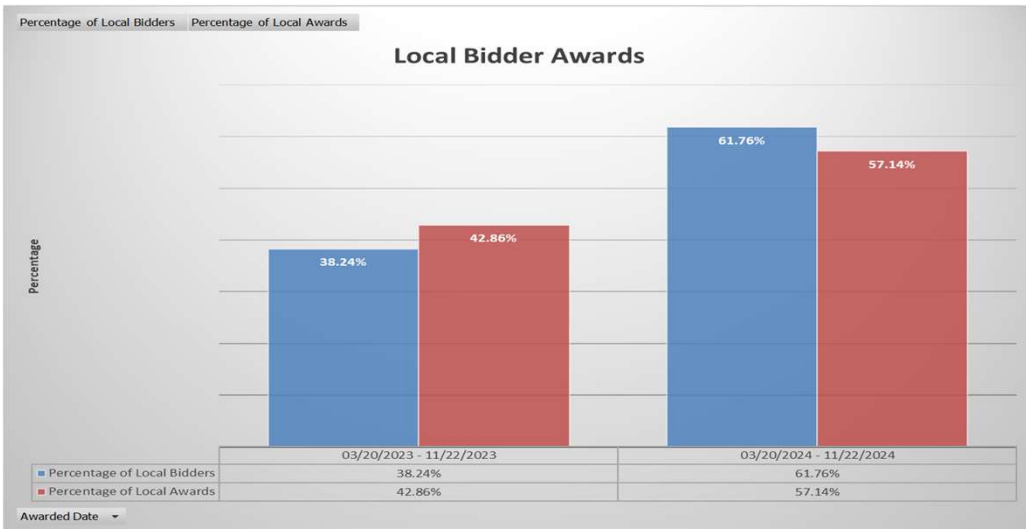
Local Vendor Participation & Awards



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Success Rates (Local Vendors)



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Conclusions

- Policy revisions significantly increased local business engagement and spending.
- Local vendors secured more bids and awards despite increased competition.
- LVP updates effectively bolstered the local economy while maintaining competitive procurement practices.



STRATEGIC PLAN ALIGNMENT



ECONOMIC OPPORTUNITY

CROSS-CUTTING THREADS



Community Trust



Equity



Innovation



Fiscal Responsibility



Sustainability and Resiliency



Recommendations

That the Finance Committee:

1. Discuss and provide input for a local preference procurement policy; and
2. Direct staff to incorporate discussion decisions, as well as discuss determinations for policy and legislative revisions.



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Q&A

"Open Floor for Questions and Discussion"



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