

8. A

REQUEST TO ADVERTISE AN ORDINANCE ESTABLISHING A LOCAL VENDOR PREFERENCE PROCEDURE FOR THE CITY

Request

Approval to advertise an ordinance that would establish a local vendor preference procedure for the City's procurement processes.

Explanation

This is a request to advertise an ordinance providing for local vendor preference for Osceola County businesses. As the Commission is aware, there has been a push by local vendors from Osceola County to convince local governments to award projects to local vendors as opposed to outside vendors. Both the County and St. Cloud have adopted ordinances in favor of this concept.

The attached ordinance is staff's recommendation for a local vendor process, which generally follows the St. Cloud ordinance. It provides that if the local vendor is the next lowest responsible bidder when compared to the non local vendor lowest bid, then the Osceola County vendor has three days to match that lowest price. There is a sliding scale depending on the value of work to be used to determine if the local vendor preference can be used. The maximum is 6% down to 2.75% from the lowest bid.

To qualify for local vendor preference, an Osceola County vendor must apply and show proof that they meet the criteria as a local vendor. There are four requirements to be a local vendor, (i.e., have headquarters in Osceola County, 30% of employees from Osceola County, business owner residence in Osceola County; or 60% of subcontractors are local subcontractors). If one of these is met then they qualify as a local bidder.

When drafting this ordinance, questions arose which the Commission may wish to consider. First, the Commission could remove the requirement that the local vendor must be the next lowest bidder. This was included in the St. Cloud ordinance to presumably eliminate the potential for multiple local vendors who fall within the percentage thresholds to leapfrog the lowest local vendor. Second, some preference methodology provides that if the local vendor is within the prescribed percentages, then the bid would automatically be given to the local vendor. However this methodology, which is reflected in the County's version, generally leads to higher project costs since the overall lowest bid is essentially dismissed.

Finally, this ordinance reserves the right of the City to choose the most qualified vendor regardless of preference.

Recommendation

Staff recommends approval.