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PUBLIC HEARING - SECOND AND FINAL READING - PROPOSED ORDINANCE NO. 09-15 LOCAL VENDOR PREFERENCE

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF KISSIMMEE; FLORIDA, TITLE II ADMINISTRATION; CHAPTER 2-7 FINANCE; ADDING SECTION 2-7-50; PROVIDING FOR LOCAL VENDOR PREFERENCES FOR CERTAIN PROCUREMENT OF PRODUCTS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING FOR AN EFFECTIVE DATE

Request

This is a request to approve the second and final reading of a proposed ordinance establishing a local vendor preference program for the City.

Explanation

This is a request to adopt 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. The County, St. Cloud and Toho Water Authority have adopted similar concepts.

The attached ordinance is staff's recommendation for a local vendor process, which is similar to the St. Cloud ordinance and the Toho Water Authority policy. 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.

The initial draft presented at the first reading included a sliding scale depending on the value of work to be used to determine if the local vendor preference can be used, which ranged from 6% down to 2.75% from the lowest bid. However as the result of a meeting with a representative of a local business group, Staff revised the draft to remove the sliding scale percentages, similar to the TWA policy. The revised version now states that as long as the local vendor is the second lowest bidder, the local vendor would have the right to match the bid without having to be within a prescribed percentage of the lowest bid. Staff believes that removing the percentages will eliminate arbitrary thresholds that have no bearing on the process as long as the ability to match the low bid is limited to the next lowest bidder.

To qualify for local vendor preference, an Osceola County vendor must apply and show proof that they meet the criteria as a local vendor. The initial draft included 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. The revised draft removes the criterion that states the business of an owner who resides within the county is automatically considered a local vendor. Staff believes this has too much potential for abuse and does not necessarily ensure the

preference afforded to the vendor would result in benefits for the local economy or workforce.

This proposed ordinance provides local vendor preference without impacting the overall cost to the city. It also reserves the right of the City to choose the most qualified vendor regardless of preference.

Recommendation

Staff recommends approval.

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