



Local Bidding Preference:

Implementation Strategy

Presented by
City of El Paso – Financial Services
Purchasing Division



Objective

Develop policy and procedures for the strategic implementing of a local bidding preference for the City of El Paso

Identify and outline educational and informational opportunities to inform the local market place of new process



By the end of the presentation you will be able to do the following:

- Identify which sourcing process the bidding preference applies
- Identify the bidding “percentage adjustment” that apply to competitive bidding equal to or greater than above \$100,000 dollars
- Identify the bidding “percentage adjustment” that apply to competitive bidding less than \$100,000 dollars
- Understand how the adjustments shall be applied to contracts at the varying threshold
- Understand the definition and application of “principal place of business”



Regulatory Requirements

- House Bill 1869 – Removes population brackets in current law Section 271.905(a). Amended to redefine “local government” by deleting population limitations.
- Local Government Code, Section 271.905 – Applies to contracts equal to or greater than \$100,000 dollars.
- Local Government Code, Section 271.9051 – Applies to contracts of less than \$100,000 dollars.



Local Bid Preference Applicability

When City of El Paso facilitate the bidding process RF(X):

- *Competitive Sealed Proposal;*
- *Request for Proposal;*
- *Request for Quote;*
- *Low Bid;*
- *Informal Bid;*
- *Formal Bid;*
- *Electronic Bids; and*
- *Best Value Bid*

**NOT APPLICABLE TO SOURCING FROM CO-
OPERATIVE CONTRACTS AND/OR BUY BOARDS**



Key Definitions

Principal Place of Business

Corporations

- Generally where the business's books and records are kept and is often where the head of the firm or at least upper management is located; and
- Typical documentation for corporations are documents filed with Secretary of State; and

Sole Proprietors

- Where the business's books and head of the business (i) lives; or (ii) business office is located; and
- Documentation includes DBA documents as filed with County in which business is located and on the business license.



Key Definitions

Economic Benefits

- Economic development opportunities for the City of El Paso created by the contract award
- Employment of local residents in the delivery of the contracted service and/or product;
 - Employment of local residents that participate in the manufacturing/production process of the products being procured;
 - Increased tax revenues to the City of El Paso



Key Definitions

Local Business

- Principal Place of business is located within the incorporated City limits of El Paso, Texas.
- Licensed and authorized to do business under the laws of the City of El Paso;



Sample Bid Tabulation Form RF(X) over \$100,000

Bid Opening Date: July 20,2011 @2:00 p.m.
Project Name: City Hall Interior Renovation
Bid Number: IFB 2011-721

<i>Bidder/Company Name</i>	<i>Bid Guarantee</i>	<i>Add No.1</i>	<i>Local Vendor</i>	<i>Base Bid</i>	<i>Local adjustment (Bid + 3%)</i>	<i>Adjusted Bid Price</i>	<i>Award Bid Price</i>
J.R. Ewing LLC	X	X	N	100,000	3,000	103,000	0
T. Landry Inc.	X	X	N	105,000	0	105,000	0
Cook & Cook LLC	X	X	Y	101,000	0	101,000	101,000
Dorsett LLC	X	X	N	103,000	0	103,000	0
JAG LLC	X	X	Y	102,000	0	98,940	0
J. Trussel Inc.	X	X	N	110,000	0	110,000	0



Sample Bid Tabulation Form

RF(X) under \$100,000

Bid Opening Date: September 1, 2011 @2:00 p.m.
Project Name: Butterfield PGA Driver Lessons Services
Bid Number: IFB 2011-721

<i>Bidder/Company Name</i>	<i>Bid Guarantee</i>	<i>Add No.1</i>	<i>Local Vendor</i>	<i>Base Bid</i>	<i>Local adjustment (Bid + 5%)</i>	<i>Adjusted Bid Price</i>	<i>Award Bid Price</i>
Hank Haney Golf Inc.	X	X	Y	62,000	0	62,000	62,000*
Sean Foley Inc.	X	X	N	60,000	3,000	63,000	
Butch Harmon School of Golf	X	X	Y	63,000	0	59,850	
David Leadbetter Golf Academy	X	X	N	61,000	0	61,000	



Verification Requirements

Individual or Business Entity:

1. Must provide documentation that principle place of business is located within the corporation limits of the City of El Paso, Texas as registered in official documents filed with the Secretary of State of the State of Texas;
2. Said documentation must be submitted with the bid response.

The City of El Paso:

1. Verify the authenticity of documents with Secretary of State of Texas and/or County wherein license or DBA certificate is issued;
2. Make written determination that Local bidder offers the City the best combination of contract price and economic development opportunities for the City by the contract award, including employment of local residents and increase tax revenues to the municipality.



Educational and Information Opportunities

Informational workshops with strategic partners:

- *City of El Paso – How to do Business with the City Exposition*
- *El Paso Community College – Vendor Exposition*
- *El Paso Purchasing Alliance*
- *Fort Bliss Business Exposition*
- *Home Grown El Paso*
- *Hispanic Chamber of Commerce*
- *The Greater Chamber of Commerce*
- *Southwest Minority Supplier Development Council*



Key Considerations

- Principal Place of business – operation/production verse management
- Defining measurable standard for economic benefit to City of El Paso
 - Direct or indirect jobs created and/or retained
 - Dollar value of supplies/equipment being purchased from El Paso companies
 - Subcontracting Plan (value of contract to be subcontracted with El Paso firms)
 - Taxes to be paid to the City as a result of being awarded a contract
- Eligibility timeframe for receiving local preference (required with submittal)
- Applicability dollar threshold - \$ 3,000 and above or \$50,000 and above