



Hire El Paso First-Local Bid Preference Policy

**Legislative Review Committee
March 3, 2014**

Presented by
Purchasing & Strategic Sourcing Department



Key Definitions of Existing Policy

- *Economic Benefit*

For the purpose of this policy economic development opportunities are created by the award of the contract and the following measureable considerations:

- 1) Employment of local residents in the delivery of the contracted service and/or product;
- 2) Employment of local residents that participate in the manufacturing/production process of the products being procured or the delivery of services being rendered;
- 3) Increase tax revenue to the City of El Paso; and
- 4) Subcontracting opportunities, Business 2 Business (B2B) with local businesses.

- *Local Business*

For purposes of this policy local business mean the following:

Business incorporated or the principal place of business is located within the incorporated City limits of El Paso, Texas; or

Has a office, warehouse or manufacturing presence that employs a minimum of three (3) full time positions.



Establishing Consensus

The following steps were taken prior to establishing a recommendation:

- Completed a comparative analysis of the definitions from local business from the following Texas cities:
 - Dallas
 - El Paso
 - Fort Worth
 - Houston
 - San Antonio
- Excerpts of definitions from the above referenced cities were reviewed and discussed with each Council Representative.
- Recommendations and/or comments were noted and the consensus items from other ordinances were highlighted for inclusion in a revision.



Consensus Items

The following are items wherein the majority of the Council Representatives requested additional consideration and/or recommended:

- ***El Paso Model***
 - Maintain tier system
- **San Antonio Model**
 - Having an established place of business for at least one year in the incorporated City limits
 - Minimum number of full, time, part time and contract employees (regularly based in City limits)
- **Fort Worth Model**
 - A facility that is fully operational and has sufficient equipment, supplies, and personnel to provide the product or service of the business in question to clients in the city without significant reliance on the resources of another entity or affiliate or of an auxiliary facility of the business which is located outside the corporate limits of the city
- ***New considerations***
 - Temporary construction trailers would not be considered a local business
 - Tier 2 Local Business would be required to lease and/or own real property within incorporated City limits



Recommended Changes to Existing Policy

- *Economic Benefit* – The two primary changes are as follows:
 - 1) Replace local residents to “residents which reside within the incorporated City limits of El Paso, Texas”;
 - 2) Require 25 percent of the total value of the contract be subcontracted to certified local businesses.



Recommended Changes to Existing Policy

• *Local Business*

Tier 1 Local Business

The primary headquarters or executive office where the corporate officers are located and from which the operations of the business are directed and controlled by its officers or owners. The primary headquarter must be located in the incorporated City limits of El Paso.

Tier 2 Local Business

The following criteria must be met:

- (i) Has been established for at least one year in the incorporated City limits of El Paso; and
- (ii) A minimum of 50 of its employees must reside within in the City of El Paso
- (iii) Must own or lease real property in the incorporated limits of the City.
- (iv) Said facility, office, plant, store, warehouse or other location must be fully operational and has sufficient equipment, supplies, and personnel to provide the product or service of the business in question to clients in the City without significant reliance on the resources of another entity or affiliate or of an auxiliary facility of the business which is located outside the corporate limits of the City.
- (v) Can not be a temporary construction trailer or temporary structure