

**January 31, 2011**

**MEMORANDUM**

**TO:** Mayor and City Council Members

**FROM:** David B. Vehaun, City Manager

**SUBJECT:** Local Purchasing

On February 22, 2010, Council unanimously approved the City Manager's recommendation to amend the City's procurement policy related to local purchasing to provide a 3% advantage for local contractors (capped at \$10,000). The policy had a sunset provision if not reauthorized by the City Council before March 1, 2011.

Staff recommends removing the sunset provision, keeping the following local purchasing provisions in effect:

1. Local Businesses with a valid business license will have a 3% advantage during the consideration of bids.
2. The maximum value of the 3% advantage will be capped at \$10,000.
3. If a Local Business is within 3%, not exceeding \$10,000, of the lowest bid received, the Local Business will be given consideration of the bid award if they are willing to provide goods or services at the price of the lowest bid received.
4. If conditions of #3 are met and the Local Business is not willing to provide goods or services at the price of the lowest bid received, the consideration of bid award will revert back to the lowest bid received, or the next lowest Local Business within the 3% (maximum \$10,000) advantage threshold.

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5. Contractor and or business must make every reasonable attempt to hire local Rock Hill/York County residents.
6. Selected contractor(s) must make every reasonable effort to purchase/lease all material, equipment, and supplies associated with the awarded bid to a local business with a valid City of Rock Hill Business License.
7. Contractor(s) receiving an award must supply City with a list of their employees working on the project which include the city/town in which they reside along with a list of all equipment, material, suppliers, and subcontractors and their addresses (this list will be used in the evaluation process).
8. Special consideration may be given to companies that have products produced and/or manufactured in the United States.
9. Local Purchasing preferences cannot apply: (i) to Federally Funded Projects; (ii) to State Funded Projects where the State restricts the use of local preferences under such circumstances; or (iii) to projects funded by Bond proceeds where the Bond covenants restrict the manner of procurement.
10. A minimum of three bids would be required for this policy to take effect.

The continuation of these provisions will continue to accommodate local business while staying accountable to our taxpayers and ratepayers. These provisions will remain in effect until reconsidered by the City Council in the future.

This item will be on your agenda for February 14, 2011 for your formal consideration.