

# Tab 2

## **POINT PAPER**

### **PALMETTO CITY COMMISSION WORKSHOP LOCAL PREFERENCE JANUARY 26, 2009**

#### **ISSUE:**

In order to boost the local economy and promote local businesses, the City of Palmetto is considering a revision to its purchasing policy and/or ordinance.

#### **BACKGROUND:**

In an effort to let our City vendors know that we are committed to using local businesses whenever possible, effective this month, we've put a note on the bottom of our utility bill form that contains the Purchasing Department's web and phone information; it also informs Palmetto businesses of what they can do to be placed on our vendors list.

We are currently working with the Manatee Chamber of Commerce and participating in their "Doing Business with Government Entities" event on February 20<sup>th</sup>. The registration flyer is currently posted on the City Hall payment windows and an ad was placed in the January 15<sup>th</sup> North River News newspaper.

In the immediate future we will be making adjustments to the purchasing page of our web site. The page will be more "user friendly," provide specific guidelines for our local vendors and possibly include a directory of our local businesses. We are also exploring opportunities to use our current local business license mailing list to send out letters and pertinent information that may be valuable to our local vendors.

When it comes to local preferences policies and procedures, there are a variety of methods being used throughout the state of Florida; examples are attached hereto. Using some version or combination of these examples, staff could consider making changes to our present policy or ordinance.

#### **RECOMMENDATION:**

While not every City project will find a business match locally, we want to do everything possible to position our local vendors to gain more business and contracts from the City.

#### **BUDGET IMPACT: N/A**

**EXAMPLES OF FLORIDA**  
**LOCAL BUSINESS PREFERENCES**  
**(verbiage taken from ordinances)**

**Islamorada, Florida**

Local businesses receive a preference bonus of 10 percent. Local preference applies only for purchases or services where the total amount anticipated to be expended is no greater than \$10,000.

**Tallahassee, Florida**

The city commission, or other purchasing authority, may give a preference to local businesses in making such purchase or awarding such contract in an amount not to exceed five (5) per cent for purchases under two hundred fifty thousand dollars (\$250,000.00), three (3) per cent for purchases two hundred fifty thousand one dollars (\$250,001.00) to five hundred thousand dollars (\$500,000.00), and two (2) per cent for purchases over five hundred thousand dollars (\$500,000.00), cost differential should not exceed twenty-five thousand dollars (\$25,000.00). The preference does not apply to purchases under \$10,000 or contracts for professional services.

**Osceola City, Florida**

All procurements subject to the bid or quotation requirements of this Chapter shall be given a preference in the amount of 3% of the bid or quoted price (for purposes of bid tabulation and comparison) to local persons, firms, and corporations. Local persons, firms, and corporations shall be defined as those whose principal place of business is located within the territorial boundaries of Osceola City, Florida.

**Volusia City, Florida**

The City simply gives local preference to all tie bidders.

Some version of one, or a combination of more than one, of these can be used to draft a recommended change to our purchasing policy or ordinance.