

Local Preference – Summary Fact Sheet

- The Local Preference ordinance, approved by City Council, became effective May 1, 2013 , and is consistent with the Council’s goal of promoting San Antonio local business. The performance of the Local Preference program will be evaluated regularly and quarterly reports will be provided to Council.
- Background Statute
 - Texas Statute Supports Local Business Enterprise Programs
 - Last Legislative Session the Texas Legislature adopted a revision to the law that allows cities to grant contracting preferences to local businesses when price alone determines the winning bid
 - The law previously allowed only cities with a population under 200,000 to grant such a preference
 - Local is defined as a bidder whose principal place of business is within the incorporated limits of the City of San Antonio
 - A local preference may be applied to other discretionary solicitations for services not governed by statute
- Local Preference Program
 - Definition of Local Business:
 - A business headquartered **OR**
 - Meet the following conditions:
 - an established place of business for at least one year in the incorporated limits of the City
 - and from which at least 20% of its full-time, part-time and contract employees are regularly based **OR** a minimum of 100 employees
 - and from which a substantial role in the business’s performance if a commercially useful function or a substantial part of its operations is conducted
 - Businesses will self-report this information
 - Applicability:
 - For **goods/supplies** if their bid is:
 - within 3% of the lowest non-local bidder for contracts over \$50,000
 - For **non-professional services** if their bid is:
 - within 3% of the lowest non-local bidder for contracts of \$50,000 - \$500,000
 - For **construction contracts** if their bid is:
 - Within 3% of the lowest non-local bidder for contracts of \$50,000 - \$100,000
 - Does not apply to construction contracts awarded using alternative delivery methods
 - For purchases of **goods and non-professional services** under \$50,000
 - No local preference applied
 - Significant administrative impact
- Professional Services Governed by Statute and Alternative Delivery Construction Methods
 - Current practice provides a preference of up to 20 Points for knowledge of local conditions where relevant

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- Criteria contained in all CIMS discretionary solicitations
- Weighting determined by CIMS Director / City Engineer based upon scope of services, required competencies and availability
- Other Professional Services not Governed by Statute
 - Propose awarding up to 10 points to local bidders in discretionary solicitations for professional service contracts for which a local preference may be applied
 - **10 Points** – to local bidders with business headquarters in San Antonio **OR**
 - **5 Points** – to bidders from which at least 20% of its full-time, part-time and contract employees are regularly based in the City **OR** have a minimum of 100 employees in the incorporated limits of the City
- Program would not apply to:
 - Federally funded programs per the statute;
 - The purchase of telecommunication or information services (as limited by the statute)
 - When the Managing Department or City Council determines that it would not be in the best interest of the City (i.e. price difference is too great)
 - Low Bid Construction Contracts over \$100,000
 - Purchases of **goods and non-professional services** under \$50,000