



# City of San Antonio Local Preference Program Summary Fact Sheet

- Background
  - Texas Statute amended by 82<sup>nd</sup> Legislative session to allow larger cities to grant contracting preferences to local businesses when price alone determines the winning bid
  - 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.
  - Program was further expanded in December 2013 to grant preferences to local businesses in certain discretionary contract solicitations.
- Local Preference Program
  - Definition of Local Business:
    - A business headquartered **OR**
    - Meet the following conditions:
      - having 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
  - Applicability:
    - 3% preference in low bid contracts (maximum difference in price between lowest local bid and lowest non-local bid)
    - up to 10 points to local bidders in discretionary solicitations for professional service, revenue and concession contracts for which a local preference may be applied (10 points if headquartered in City; 5 points if local, but not headquartered in City)
    - up to 20 points for knowledge of local conditions, where relevant, as part of the qualifications determination for solicitations of professional services governed by Chapter 2254 of the Texas Government Code.
  - Program does not apply to:
    - Federally funded programs per the ordinance;
    - 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 in the amount of \$100,000 or more
    - Purchases of **goods and non-professional services** under \$50,000
    - Purchases of non-professional services in the amount of \$500,000 or more
- AMENDED Local Preference Program
  - Effective January 1, 2015
  - Require a minimum one year residency requirement for locally headquartered businesses.
  - Allows for allocation of preference points based upon the percentage of ownership of each City Business entity comprising a joint venture responding to discretionary solicitations for which points are applicable.
  - Clarifies that all members of a joint venture must be City Businesses for the application of preferences to solicitations governed by the bidding statute.
  - Current applicability and exclusions to program remain in effect