City of San Antonio

Agenda Memorandum

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Agenda Item Number: 1.

Agenda Date: 3/7/2018

In Control: City Council B Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott, Deputy Chief Financial Officer

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Procurement Programs

SUMMARY:

A briefing on the City's Procurement and Preference Programs

BACKGROUND INFORMATION:

On February 28, 2018, the Finance and Economic Development Departments presented to City Council in a B Session presentation an overview of the City's preference programs. This presentation was scheduled first to focus on providing background information, context and an orientation to gain a better understanding of the City's procurement preference programs, how state statute or case law applies to them, and the processes in which they are applied to city contracts. This briefing will build upon the first presentation and staff will be providing several recommendations and enhancements to existing programs and consideration of new programs for implementation. A brief explanation of the current programs are provided below:

Procurement Preference Programs
The City applies a variety of preference programs to its contracts as allowable by federal and state law and City Ordinances. Among these programs are the Local Preference Program (LPP) and the Veteran-Owned Small Business Preference (VOSBP) program. The LPP and VOSBP Programs were established in May 2013 and January 2014 respectfully, and provide preferences to local businesses and Veteran-Owned business competing for City contracts.

Specifically, the Local Preference Program uses the City's spending powers to promote fiscal responsibility and maximize the amount of tax dollars that remain in the local economy for the benefit of its citizens by utilizing all available legal opportunities to contract with City businesses. The Veteran-Owned Small Business Preference ordinance is consistent with the City Council's goal of promoting veteran-owned small businesses. Application of the program allows for allocation of preference points in the evaluation criteria for discretionary solicitations not governed by statute.

High Profile Contracts
The City currently designates high profile contracts as those contracts which are valued over $1 million, have a high level of community interest, are highly complex, technical or have nonstandard terms. As the dollar value and complexity of contracting has increased since the inception of the high profile designation, staff has explored options to focus consideration on those contracts that pose the greatest financial risk to the City and/or involve complex policy issues.

Living Wage
Currently, the City does not consistently request employee wage and benefit information from firms responding to City solicitations for service contracts. Councilman Saldaña issued a City Council Consideration Request asking for a full council review of the current scoring matrix as well as the inclusion of a new scoring category with weighted points for the employee compensation package offered by contractors.

Responsible Bidder Ordinance
Councilman Pelaez introduced the concept of a Responsible Bidder Ordinance and requested staff to research the benefits of adopting such an Ordinance for the City of San Antonio. A Responsible Bidder Ordinance would memorialize existing procedures and expand upon them to include items such as evidence of apprenticeship and training programs, disclosure of claims and judgments, and Davis Bacon Compliance. Responsible Bidder Ordinances have historically been applied to public works low bid contracts.

ISSUE:

The Finance Department will provide a presentation to the full City Council on the City's procurement programs and suggested enhancements for consideration where applicable.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only

RECOMMENDATION:

This item is for briefing purposes only.