



KANSAS CITY, MO • AUGUST 1 - 5, 2015

Bye Bye Local Preference..... Not Buy Buy Local Preference

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Objectives

- Analyze your Local Preference (LP) Program
- Make your case to eliminate LP
- Establish a back up plan
- Establish procedures for staff's validation LP requests
- City of Punta Gorda's outcome and backup plan



Analyze the Program

- Past & current bidding and political environment
 - Changes to governing board
 - Reduction in number of bids received
 - Voice of the vendor
- Condition of local economy
 - Does your agency have a diverse local vendor base?
 - Has the local economy improved?



Analyze the Program

- Definition of local vendor
 - Is your definition defensible?
 - Requirements represent a “true” local vendor?
- Effectiveness and benefits of the program
 - Does the program by definition benefit the local vendor?
 - Is the program effective and meet the intended goal?



Analyze the Program

- Negative impacts of the program
 - Reduced bidding from non-locals
 - Local vendor definition is not properly defined, verifiable and defensible
- Past award results
 - How many LP awards made?
 - Compare frequency of local, region, state and out of state awards



Make your Case

- Opportunity to make a case – City’s Case
 - Non-local vendor low
 - Local vendor ***BY DEFINITION***
submitted a Best and Final Price lower than
non-local
 - Local vendor
 - Location in Charlotte County with leased office in
condo – Was not a daily working location
 - Met definition but Council/staff opinion they were
not a “true” local vendor



Open door of opportunity!

Make your Case

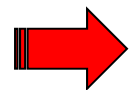
- Review LP definition and requirements
 - Preference area
 - Type of business
 - Length of time in “local” office
 - “Local” office factors
 - Staffing/equipment

Several agencies adopted LP policies in the downturn of the economy and had insufficient time to prepare a bullet proof program.



Make your Case

- Analysis of Awards



	FY 2010	FY 2011	FY 2012	FY 2013	FY2014	FY2015
Award Low Local Vendor	7	10	6	6	9	2
Award Local Vendor LVP	2	2	1	0	0	1
Award Low Non-Local - No local w/in LVP *	5	3	5	4	2	1
Award Low No-Local - No local bids*	10	7	16	15	8	3
Award to Non-Local - Grant LVP not allowed*	3	2	0	0	0	0
Total # of Bids Awarded	27	24	28	25	19	7

– 6% of contracts awarded based on LP – as of April 2015



Make your Case

- Compare awards by FY and award types

Awards to Non-Local Summary*						
	FY 2010	FY 2011	FY 2012	FY 2013	FY2014	FY2015
Lee County	1	2	8	6	2	2
Sarasota County	5	0	1	2	1	0
Desoto County	1	0	0	2	0	0
Florida	7	9	11	8	5	2
Outside of Florida	4	1	1	1	2	0

Percentage of Awards						
	FY 2010	FY 2011	FY 2012	FY 2013	FY2014	FY2015
Charlotte County	33%	50%	25%	24%	47%	43%
Adjacent Counites (Lee, Sarasota, Desoto)	26%	8%	32%	40%	16%	29%
Florida	26%	38%	39%	32%	26%	29%
Outside of Florida	15%	4%	4%	4%	11%	0%
Charlotte & Adj Counties	59%	58%	57%	64%	63%	71%

Establish a Back Up Plan

- What to do if your governing body does not approve elimination of LP policy?
- Take the opportunity to provide recommendations to improve the current policy and program



Establish a Back Up Plan

- How is the LP factor applied?
 - Award at original price
 - Meet non-local price
 - Meet or beat non-local price
- LP area
 - City, County or Region
- Length of time in LP area



Establish a Back Up Plan

- Type of business
 - Principal Place of Business
 - Satellite/Branch
- Type of Location
 - Commercial or residential
 - Commercial only
 - Principal place of business
 - Storefront or leased condo w/shared receptionist



Establish a Back Up Plan

- Local Business Tax requirement
- Staff/employee
 - % of staff assigned to location
 - % of staff reside in preference area
 - Minimum 1 officer/principal reside in preference area
- Equipment and goods stored in preference area



Validation of LP Consideration

**Does your Agency
validate LP requests?**



Validation of LP Consideration

- Desktop audit of form
- Desktop audit of form and request additional documentation as necessary
- Desktop audit of form, additional information and OCCASIONAL visit of location
- Desktop audit of form, additional information and visit ALL locations



City's Outcome & Back Up Plan

- 100% support of the City Council to eliminate the LP Policy
- The Mayor relied HEAVILY on NIGP's Resolution 1016
- Quote from Former Mayor "I guess it just made us feel good"
- We did have a back up plan to define a TRUE LOCAL VENDOR in the event the LP Policy was not eliminated



City's Outcome & Back Up Plan

Requirement	Current	Proposed
Preference Area	Charlotte County	Charlotte, Lee, Sarasota and Desoto Counties
Length of Time	6 months	1 year
LVP Percentage/Methodology	5% / "Meet or Beat"	5% / "Meet or Beat"
Location Requirements	Permanent physical address	<ul style="list-style-type: none"> Permanent physical address, Commercial or properly zoned Residential Principle place of business Branches or satellite locations not acceptable
Staffing Requirements	Staffing sufficient to constitute a present ability to perform contract	At least one (1) principal, officer, partner or owner working at the location
Equipment Requirements	Equipment sufficient to constitute a present ability to perform contract	No requirement

Contact Information

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