ORDINANCE #2011-10-10 (A)

AN ORDINANCE TO AMEND THE PURCHASING RULES AND REGULATIONS FOR THE CITY OF CONWAY TO PROVIDE FOR A LOCAL VENDOR PREFERENCE

WHEREAS, the City of Conway purchases significant goods and services with public funds for the benefit of its citizens and desires in the public interest and for the benefit of the citizens in the City of Conway to use its purchasing power as a means to increase employment and economic development within the City; and

WHEREAS, Conway City Council desire to further its support of local businesses when awarding contracts for the provision of goods, services, supplies, and construction to the City through its established purchasing procedures: Therefore be it

ORDAINED, by the City Council of the City of Conway, in Council duly assembled, that the Purchasing Rules and Regulations for the City of Conway be amended to add the following <u>Section 17. Local Vendor Preference</u>.

<u>Section 17. Local Vendor Preference.</u>

A. <u>Definition.</u> Local Vendor: A vendor or service provider shall be deemed a City of Conway Vendor for the purposes of this section if such vendor meets the following conditions:

    1. Maintains the physical presence of an office, facility or locally-owned franchise located within the legal boundaries of the City of Conway.

    2. Has a valid City of Conway business license.

B. <u>City of Conway Vendor Preference.</u>

    1. For the purpose of determining the low bidder, local bidders who have been pre-qualified by Subsection A. shall be granted preference on the amount of their bid by the application of a discount of five percent (5%). Specifically, the process will follow that, after the close of bids, the City Administrator or his designee will evaluate the offers of all bidders. Each final bid amount by a local vendor will be discounted by five percent (5%). Next,

        a. If the local vendor bid (<u>without</u> the discount adjustment) is the lowest bid, the contract will be awarded to the local vendor.

        b. If the net bid (<u>after</u> making the local preference adjustment) is not the lowest bid but is within five percent (5%) of the lowest bid submitted by a non-local vendor, the

following process will apply:

(1) The local bidder <u>must</u> notify the City Administrator or his designee within twenty-four (24) hours of notification by the City of final bid results that the local vendor intends to submit a bid matching the lowest bid.

(2) If a local vendor fails to advise the City Administrator or his designee, within the designated time period, of the vendor's intent to match, the contract will be awarded to the lowest non-local vendor.

(3) Upon receipt of the initial notification by the City Administrator or his designee, the local bidder will be given two business days to submit a matching bid equal to the lowest non-local bid.

(4) In case of extenuating circumstances and at the request of the local bidder, the City Administrator or his designee may extend the time allowed for submission of the matching bid up to three additional business days for a maximum total of five business days.

c. In the event of a tie-bid between a local vendor and an out-of-area vendor, the contract shall be awarded to the local vendor.

2. Public notice of the City of Conway local vendor preference program, rules, and procedures shall be included in all official public solicitations for bids by the City of Conway.

3. The local vendor preference shall not apply to the following:

a. Purchases that are funded in whole or in part by funds from any federal, state or local agency whose laws or regulations prohibit local procurement preference.

b. Purchases that are funded in whole or in part by funds from any federal, state or local agency whose laws or regulations require that contracts be awarded to the lowest responsible bidder.

c. Purchases required as a result of an emergency where a delay would jeopardize the public health, safety or welfare of the residents of the City.

EFFECTIVE DATE of this ordinance shall be the date of final reading and adoption.