



## Agenda Statement

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3/1/2017	1	Economic Diversification Commission		

### **ITEM TITLE:**

Procurement Report

**SUBMITTED BY:** Lamar Cotten, ED Contract Staff

### **FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

### **RECOMMENDATION:**

None. Report only.

### **SUMMARY STATEMENT:**

The City has an internal team of staff working on amendments to the procurement code. The recommendations of the Commission came to the staff team who has been working to provide information helpful to the Commission obtaining its goals and providing information about what is purchased locally versus what is spent out of town. A joint work session has been twice scheduled and cancelled due to lack of a quorum. For this meeting several staff will be out of town in Juneau. The hope is a joint work session can be scheduled prior to the next meeting and a set of joint recommendations can be developed to give to Council. Listed below are the draft EDC recommendations to strengthen the city procurement code.

Draft EDC Recommendations:

1. EDC continues to evaluate a series of issues linked to expansion and diversification of the local economy. This memo serves as a set of draft EDC recommendations to strengthen the city

procurement code for the purpose of increasing city goods and services contracts awarded to qualifying local firms. This would entail.

2. Review and analyze qualifications for local bidder status. In particular, consider a system in which bidders would need to meet a set number of factors to qualify as a local bidder. Such a list could include but not limited to, voter registration location, land ownership, primary home, annual days present in the community, vehicle registration, pay stubs. From this list, a qualified local bidder would need to meet a set of number of such factors.
3. An overall strengthening of the city procurement code core philosophy and long-term objectives. This could include a broader look at expenditures allocated for goods and services beyond just the issue of cost and instead long-term community goals. It could require stronger and clearer guidelines for contracts for “soft” purchases that are done outside of the traditional procurement process.
4. An objective review of city operational budgets with the goal of enhancing local business and skilled employment opportunities for local residents. A case in point is some of the city equipment, mainly CAT, maintenance and repair tasks that relies mainly on a contract with non-local CAT staff. The process of a strong reliance on an outside firm may in the immediate term be the most cost effective method to repair and maintain of CAT purchased equipment. However, it may mean in the long-term that other valid community objectives such an increase in year-around higher paying and rewarding jobs for local residents were not achieved.
5. An aggressive, creative and year around effort to expand the list of local qualified vendors for possible city contracts. Secondly, a more thorough tracking of city and school district contracts to determine how much and what type contracts are with local businesses and relevant trends if any. Thirdly, an annual educational workshop and business luncheon held by the city/school district on procurement policy upcoming changes and other relevant information. Fourthly, over time, an evaluation of local vendor’s responses to determine deficiencies in qualifications and quality of proposals and in turn work with local training and education providers to possibly address such issue.
6. Review and analyze the possible establishment of direct bidding by qualified local businesses for purchase of select goods and equipment.
7. Evaluate on a set schedule the effectiveness of the city local preference rules for contracts. And, in turn amend city codes and administrative rules accordingly. Review annually other local governments procurement codes for new innovative approaches and relevant legal rulings. Advocate with other communities for beneficial changes in state laws, when needed for more flexibility in procurement rules.