

Purchasing Committee Meeting May 18, 2010

A meeting of the Purchasing Committee of the Board of Finance was held on May 18, 2010 in the Purchasing Conference Room, 2nd Floor, City Hall. The following were in attendance: Committee members Mark Peterson, Chair and Robert Casar. Also present was Roger Rousseau, Purchasing Agent. Paul Tonon was absent.

The meeting was called to order at 8:00 a.m.

1. Review policy regarding local bidding preference and take any action as necessary.

The City's current Local Bidding Preference is (from the Purchasing Manual):

In the event that a local business submits a bid to the City of Bristol that is within 4% of the lowest compliant bidder and is considered to be in compliance with requirements set forth in the bid, the local business shall be allowed the opportunity to accept the award of the bid as the lowest compliant bidder, at the amount of the lower bid. Such practice shall apply to all City bids for all City departments, with the following exceptions:

1. Contracts exceeding \$300,000.00.
2. Professional services, awarded on subjective and objective criteria in addition to cost.
3. Contracts using state, federal or other funds that have governing regulations disallowing such practice.
4. Contracts awarded on behalf of the Bristol Water Department as a separate enterprise fund.

In the event that more than one local business is within 4% of the lowest compliant bidder, then the local business with the lowest bid price offered within the variance will be granted the first opportunity to match the lowest bid. If said firm declines to accept the opportunity, then the next lowest business within the variance will be granted such opportunity.

Roger Rousseau provided a summary of area towns and what their local bidding preference specifies; New Britain, Torrington, New London, Middletown, and Farmington policies were described. Most towns do not have a local bidding preference policy, although a number of towns consider local preference in the event of a tie bid. Of those communities which have a local bidding preference, Bristol appears to be the lowest. There are certain projects on which local bidding preference can not be used (Board of Education, CDBG, projects which are funded by federal or state funds).

Mark questioned if the City has any language which would prevent problematic contractors from bidding on future projects. The local bidding preference policy applies to the comparison of responsible qualified bids; review of bidders' qualifications precedes the use of the policy. Roger explained there are several construction companies in Bristol, with some being more qualified than others on certain projects.

Smaller procurement efforts are usually pursued locally; the City already buys hardware, paint, printing, plumbing supplies, etc. from local companies. If a bid is for under \$10,000.00, the Purchasing Department typically seeks quotes from local sources.

The Committee discussed the pros and cons of the local bidding preference policy. Assigning work to local businesses can help the City. Local companies pay local taxes, and some of its employees may live in Bristol and pay taxes here (although companies from bordering towns could make a similar statement). Competition may be discouraged if companies know that a Bristol business will automatically be awarded the bid. Larger out-of-town construction companies have the flexibility to submit lower bids because they can cut their profit margin. However, local contractors have inherent advantage and can better provide competitive pricing

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in that they potentially have less mobilization costs and have better ability to store and transport materials. The Committee didn't want to approve anything that would give local contractors an excessively unfair advantage, but expressed interest in the impact of raising the threshold. There are a number of projects that are within \$300,000 and \$1,000,000 (e.g. culverts).

Robert Casar made a motion seconded by Mark Peterson "To revise the Purchasing Manual to raise the local bidding preference threshold limit from \$300,000 to \$1,000,000 and refer to the Board of Finance for approval." Motion approved unanimously.

2. Adjournment.

Robert Casar made a motion to adjourn at 8:35 a.m.

Respectfully Submitted,

Mark Peterson/jam
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