



Local Preference Procurement

City Council Briefing August 5, 2020

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Presentation Overview



- Administrative Directive process.
- Current local preference program.
- Local preference expansion.



Administrative Directive Process



- AD 2-1 – Issuance of an Interim AD:
 - When there is pressing and urgent need to change an administrative directive, CMO will issue an Interim AD. Interim ADs will be designated clearly as “interim” and will be in force for a period not to exceed 180 calendar days from the date of distribution. They should be cleared of interim status as quickly as practical; and will be posted for reading and printing on the City Intranet Site.
 - Staff is required to follow administrative directives, including those that are interim.



Current Local Preference Program



- Dallas City Code Chapter 2–32 (h) states that a preference may be given to local businesses in awarding City contracts through a low bid procurement.
- To be considered for local preference the business must have the following in the City:

Headquarters, primary office, an established office, plant, store, warehouse, or other facility where the majority of the business' operations and activities are conducted and located.



Local Preference Procurement Methods:



- Request for Bid (RFB) - Low Bids
 - When a local firm is within a certain percentage of the lowest bid, both the lowest bidder and local firm are presented for Council to select one for award.
 - 3% Applies when contract value is greater than \$500k for Goods only.
 - 5% Applies when contract value is less than \$500k for Goods and Services.
 - 5% Applies when contract value is less than \$100k for Construction.
 - Exception: Federally funded programs.



Local Preference Procurement Methods continued...



- Tie bids (State Law)
 - Applies to low bids only.
 - Applies when two bidders bid the same cost.
 - Tie goes to the local company.
 - If neither or both firms are local, Mayor shall cast lots.



Local Preference Procurement Methods continued...



- On May 27, 2020, Dallas City Council passed a resolution expanding the City's local preference contracting program to include proposals.
- This resolution requires a briefing to the City Council before implementation.



Local Preference Procurement Methods continued...



- Request for Competitive Sealed Proposals (RFCSP) for general services:
 - Applies when contract value is greater than \$500k for general services.
 - Pass/Fail objective evaluation of 5 points – if the supplier does not meet one of the local preference requirements, the supplier will not receive the 5 points (out of 100).
 - Remaining points assigned, e.g., as follows: MWBE (15); cost (30); experience (30); approach (20).
 - Procurement will score proposals without local preference first; if local preference is the reason a vendor is recommended as the highest scorer, then Procurement would include that information in the agenda item.



Local Preference Procurement Methods:



Service contracts at or over
\$500k = Local Preference's 5
points under a proposal process

Goods
contracts at
or over \$500k
= 3% of low
bid to local
firm.

Service
contract less
than \$500k =
3% of low bid
to local firm

Construction
less than
\$100k = 5% of
low bid to local
firm



Local Preference Proposal Requirements:



- To receive the local preference points, a supplier must satisfy **one** of the following:
 - Proof of principal place of business located in the City of Dallas.
- OR**
- Proof of local workforce composition including:
 1. at least 100 full time employees or independent contractors who are Dallas residents; **OR**
 2. at least 20% of its total full-time employees or independent contractors who are Dallas residents; **OR**
 3. participation in a City workforce program.



Local Workforce Requirement Benchmarks



- Austin – Requires 20% or 100 employees.
- Houston – Requires 20%.
- San Antonio - Requires 20% or 100 employees.
- Dallas - Requires 20% or 100 employees.

	Austin	Dallas	Houston	San Antonio
“Local Business” defined by having a HQ within City limits	Yes	Yes	Yes	Yes
Local workforce of at least 20%	Yes	Yes	Yes	Yes
OR Minimum of 100 employees	Yes	Yes	No	Yes



Workforce Program Overview



- Business Diversity will run this program.
- Firms interested in satisfying the Proof of Local Workforce requirement, can do so through participation in a workforce partnership.
- Instructions on how to participate will be included in all applicable specifications (Workforce Development website is forthcoming).
- Staff will confirm participation before presenting contract for Council approval.



Workforce Program Overview



- The City will initially leverage the existing relationships with Texas Workforce Solutions, Dallas College, Dallas ISD, and Richardson ISD.
- Firms will work with the City and workforce development partners to hire Dallas residents.
- Wage requirements will align with the City's wage floor requirement.
- Business Diversity will confirm and verify firm's participation (similar to the M/WBE subcontracting process).
- Workforce Development will monitor ongoing participation throughout the life of the contract (workforce reports sent every six months).



Next Steps



- September 1, 2020
 - Procurement begins implementation of program.
 - Based on buyer capacity, we will conduct more solicitations as proposals instead of low bids.
 - Examples include public safety uniforms, and fleet repair and maintenance services.
 - Outreach to stakeholders re local preference program (ongoing).





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