

RESOLUTION NO. 2015-54

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEAGUE CITY ENCOURAGING THE CITY'S RESIDENTS AND BUSINESSES TO SHOP LOCALLY WHEN NEEDING GOODS OR SERVICES AND DIRECTING CITY STAFF TO IMPLEMENT A LOCAL VENDOR PREFERENCE POLICY TO THE FULLEST EXTENT PERMITTED BY LAW.

WHEREAS, the City Council of the City of League City (the "City Council") desires to use the City's spending powers to promote fiscal responsibility and maximize the amount of citizen tax dollars that remain in the local economy for the benefit of its citizens; and

WHEREAS, the City Council finds that by using its spending powers to encourage local business capacity, the City will also increase the competitive business pool from which it procures its goods and services, thereby maximizing return on investment in the City's fiduciary responsibility to its citizens; and

WHEREAS, the City Council finds that, when awarding contracts, the principal place of business of a vendor is a relevant criterion in providing best value for the City; and

WHEREAS, the City Council finds that the award of contracts to local area businesses benefits the economic vitality of the City and its residents by providing citizen employment opportunity, increased property values and additional tax revenue to the City; and

WHEREAS, Texas Government Code §2252.002 requires that cities give preferences to local businesses if there are out-of-state bidders that have bid on the contract and the out-of-state bidder is located in a state that discriminates against out-of-state bidders in its bid awards; and

WHEREAS, Texas Local Government Code §271.901 requires that cities give preferences to local bidders when there are two identical bids and one of the bidders a local bidder; and

WHEREAS, Texas Local Government Code §271.905 and §271.9051 allow the City to consider a vendor's principal place of business in the award of certain contracts; and

WHEREAS, the City Council determines that for applicable contracts, local responsive and responsible bidders in specified contracting areas offer the City the best combination of contract price and additional economic development opportunities, including employment of City residents and increased tax revenue to the City; and

WHEREAS, the City Council finds that these determinations and conclusions meet the written determination required by Texas Local Government Code §271.905 and §271.9051 in the award of certain City contracts; and

WHEREAS, the City, as a major market participant in this area, can set an example for individuals and businesses alike by directing City Staff to adopt a policy to shop locally when and as it can in its own procurement activities;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. The facts and opinions in the preamble of this resolution are true and correct.

Section 2. The City Council hereby encourages residents and businesses in the City to shop locally for goods, services, and workforce needs, realizing that such practice keeps dollars invested in the local economy.

Section 3. The City Council hereby directs staff to amend the City's purchasing policy to implement a purchasing preference for locally-based businesses and vendors, to the fullest extent allowed by state law regarding municipal procurement.

Section 4. The amendments to the City's purchasing policy will contain the following provisions in substantially the same form:

**A. Definitions.**

1. *Local bidder* means a business with a principal place of business with the corporate limits of the City of League City.
2. *Principal Place of Business* means a facility that is fully operational and has sufficient equipment, supplies, and personnel to provide the product or service of the business in question to clients in the city.

**B. Applicability of Local Preference Policy.** The local preference policy set forth below shall only apply to:

1. Contracts for the purchase of personal or real property not greater than \$3,333,333.33;
2. Contracts for the purchase of non-professional services greater than \$50,000 and less than \$500,000; and
3. Construction services contracts greater than \$50,000 and less than \$100,000.

**C. Local Preference Policy.** After the City has tabulated all bids received for a contract, the City may enter into the contract with:

1. The lowest bidder; or
2. The lowest local bidder whose bid is within three percent (3%) of the lowest bid received by the City, provided the City Council determines, in writing, that awarding to the local bidder offers the City the best combination of contract price and economic development opportunities.

**D. Identical Bids.**

1. If the City receives identical lowest bids from two bidders and one of the bidders is a local bidder, the City must select the local bidder.

2. If the City receives identical lowest bids from two or more local bidders, then the City must select one of the local bidders by the casting of lots.
3. If the City receives identical bids from two or more local bidders that are within three percent (3%) of the lowest bid received by the City, then the City may select one of the local bidders by the casting of lots, provided the City Council determines, in writing, that awarding to the local bidder offers the City the best combination of contract price and economic development opportunities.
4. The City Manager shall determine the procedure for the casting of lots.

**E. Out of State Bidders.**

1. If the City receives a bid from a bidder not located in Texas, the City must give all bidders located in Texas the same advantage as the non-Texas bidder would have in its home state.
2. If the non-Texas bidder is from a state where in-state bidders are not given preference over Texas bidders, then no additional local preference will be given.

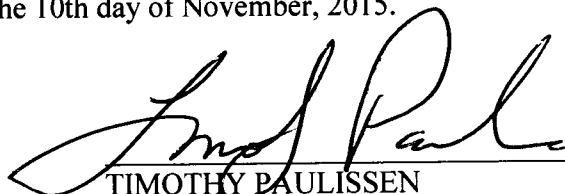
**F. Local Preference Policy Exceptions.**

1. This local vendor preference shall not apply to the following situations:
  - a. any contract solicited through negotiated procurements (RFPs, RFQs);
  - b. any contract funded in whole or part by the federal government or where the City acts a conduit for federal money;
  - c. the purchase of telecommunications services or information services, as those terms are defined by 47 U.S.C. §153;
  - d. any contract for professional services;
  - e. any contract that is sole-source or for emergency services;
  - f. any purchases obtained through cooperative purchasing programs or interlocal agreements; or
  - g. any contract where the City Manager or City Council has determined that it would not be in the best interest of the City.
2. This local vendor preference does not prohibit or otherwise restrict the City from rejecting all bids.


**Section 5.** All resolutions, ordinances and/or agreements and parts thereof in conflict herewith are repealed to the extent of the conflict only.

Section 6. It is hereby found and determined that the meeting at which this resolution was passed was open to the public and that advance public notice of the time, place and purpose of said meeting was given as required by law.

PASSED AND APPROVED the 10th day of November, 2015.

  
TIMOTHY PAULISSEN  
Mayor

ATTEST:

  
DIANA M. STAPP  
City Secretary

APPROVED AS TO FORM:

  
NGHIEM V. DOAN  
City Attorney