

REPORT OF: City Comptroller's Office Purchasing Staff

TITLE: Annual Local Purchasing Report Requested by the Common Council

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TO THE COMMON COUNCIL:

On April 17, 2007, the Common Council adopted Resolution 07-00421 (file No.05943) adopting the local preference purchasing policy. Specifically, the resolution requested Comptroller's staff to report on the following:

1. The dollar amount of procurements made from local vendors included in the City's database.
2. Increase from year-to-year in the amount of locally purchased supplies and commodities.
3. The extent to which the award of bids and contracts has been influenced by the new policy.

The following report serves to respond to this request on behalf of the Comptroller's purchasing staff.

Procurements made from local vendors in the City's database

Upon passage of the local purchasing policy, City Purchasing and IT worked together to create a self-service local vendor sign-up on the City's website. The vendors sign up through the website and answer questions based on the definition of a local vendor, as defined in the local purchasing policy resolution. Once they have registered and have been approved as a local vendor, they are eligible for the local preference of 1% on bids and 5% on RFP's.

Since the self-registration has been available on the City's website, 121 vendors have registered and been approved as local vendors. In 2008, the City did business with 41 of these vendors, for a total value of more than \$11,000,000 (See attached Listings).

Year to year change in locally purchased supplies and commodities

The following table represents the total non-payroll purchases the City has made the past three years.

	<u>2006</u>		<u>2007</u>		<u>2008</u>	
Madison	89,000,000	59%	86,000,000	51%	105,000,000	57%
Dane County	<u>22,000,000</u>	<u>15%</u>	<u>33,000,000</u>	<u>20%</u>	<u>38,000,000</u>	<u>21%</u>
Total "Local"	111,000,000	74%	119,000,000	71%	143,000,000	78%
Other	<u>40,000,000</u>	<u>26%</u>	<u>49,000,000</u>	<u>29%</u>	<u>42,000,000</u>	<u>22%</u>
Total	151,000,000	100%	168,000,000	100%	185,000,000	100%

The local purchasing policy was passed in April of 2007, therefore 2006 numbers were before any policy was in effect, 2007 was a partial year, and 2008 was a full year of the policy being in place.

Bids and contracts influenced by local purchasing preference

Since the resolution for local purchasing policy passed, City Purchasing has kept track of the bids and contracts that have been directly impacted by the local preference. The following 3 bids and contracts were awarded to a local vendor in part because of the local preference:

A contract for \$41,476 for Jeep Wranglers was awarded to Kayser in Madison in July of 2008 based on the 1% preference for bids.

A contract for \$250,000 was awarded to Virchow Krause and Company for Financial & Human Resources Software Consulting Services in September of 2008 based on the 5% preference for RFP's.

A contract for \$335,000 was awarded to Hiebing Group for BioAg Marketing in February of 2008 based on the 5% preference for RFP's.

While these are the only three City bids or contracts where the local preference resulted in changing the winning bidder from non-local to a local vendor, it is unknown how many other local vendors have been encouraged to seek City contracts as a result of the local preference purchasing policy.

The following table represents the dollars spent with the vendors that have registered as local vendors with the City's database.

AE Business Solutions	11,636
Bachmann Construction Company	1,456,452
Bobcat of Madison	164,434
Capital City International	11,504
CDW Berbee	436,983
Decker Supply	2,314
Destree Design Architects	51,040
Dimension Development	5,658
Dimension IV	62,313
Embury, Ltd.	54,513
Envision Information Technologies	3,885
Eppstein Uhen Architects	47,837
Herman Landscape Service	118,485
Homburg Contractors	3,446,058
Images Plus of Wisconsin	26,708
IS Computer Service	102
J.H. Findorff & Son	112,138
JBM Patrol & Protection	255,101
Kayser Automotive Group	185,132
Knupp & Watson	60,661
Mad City Broadband	130,433
Madison Top Company	74
Madison Truck Equipment	23,063
MasterGraphics	17,996
Messner Landscape Maintenance	195,109
Midwest Patrol & Investigative	1,397
Miron Construction	2,632,247
Perkins Oil Company	114,449
Roberts Construction Associates	4,285
Safety First	4,872
Schreiber Anderson Associates	233,428
Seymour Environmental Associates	735
Stevens Construction	618,642
Strang	253,279
Sun Prairie Sand and Gravel	90,272
The Canine Butler	7,189
THINK! Toner & Ink	4,686
Vierbicher Associates	1,365
Virchow Krause & Company	347,598
Waldbillig & Besteman	19,500
Wiedenbeck	3,952
Total	11,217,579