

REPORT OF: City Comptroller's Office Purchasing Staff

TITLE: 2009 Local Preference Purchasing Report

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TO THE COMMON COUNCIL:

On April 17, 2007, the Common Council adopted Resolution 07-00421 (file No.05943) establishing the City's 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 responds 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 staff worked together to create a self-service local vendor sign-up on the City's website. 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 self-certified 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, 180 vendors have registered and been approved as local vendors. That is an increase of 59 vendors over 2008. In 2009, the City did business with 76 of these vendors, for a total value of almost \$18,000,000 (See attached listing). That is an increase of 35 vendors and \$6.7 million over 2008.

Year to year change in locally purchased supplies and commodities

The following table displays the total amount of non-payroll purchases the City has made during the past four years. These expenditures are categorized as Madison, Dane County and other based on the address of each business as recorded in the City's vendor file.

	<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>	
Madison	89,000,000	59%	86,000,000	51%	105,000,000	57%	123,574,591	58%
Dane County	22,000,000	15%	33,000,000	20%	38,000,000	21%	31,789,672	15%
Total "Local"	111,000,000	74%	119,000,000	71%	143,000,000	78%	155,364,263	73%
Other	40,000,000	26%	49,000,000	29%	42,000,000	22%	57,161,652	27%
Total	151,000,000	100%	168,000,000	100%	185,000,000	100%	212,525,915	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 and 2009 were full years of the policy being in place. One significant purchase in 2009 was for new buses costing \$10 million, and they are purchased from a company in California. Without that purchase, the local total would have been at 77%.

Bids and contracts influenced by local purchasing preference

Since the resolution for a local preference purchasing policy was adopted, City Purchasing has kept track of the bids and contracts that have been directly impacted by the local preference. In 2009, there were no bids or contracts whose award was directly affected by the local preference policy. However, there have already been three such bids directly affected since the beginning of 2010.

While there were no 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 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.

Aaron Dettman	2,200
AE Business Solutions	44,658
Arnold & O'Sheridan	123,579
Bachmann Construction Company	192,752
Badger Truck Center	224,158
Barnes, Inc	37,635
Bobcat of Madison	149,079
BT Squared	38,056
Capital City International	3,988
CDW Berbee	1,044,496
Coca-Cola Enterprises	2,399
Dahlgren Photo	500
David J Frank Landscape Contracting	139,494
Deano Dock & Lift	96,353
Destree Design Architects	29,510
Dimension IV	52,169
Dorschner Associates	5,950
Eppstein Uhen Architects	19,265
EPTEC	15,203
GRAEF-USA	7,057
H & H Utility Excavating	132,572
Herman Landscape Service	148,974
Hiebing Group	125,075
Homburg Contractors	2,699,781
Horizon Construction Group	3,257
Images Plus of Wisconsin	1,999
IS Computer Service	4,023
Isthmus Architecture	37,261
J.H. Findorff & Son	3,086,673
JBM Patrol & Protection	223,945
Jefferson Fire & Safety	439,094
JSD Professional Services	21,427
Kayser Automotive Group	445,139
Ken Saiki Design	135,000
Knupp & Watson	56,010
L.W. Allen	8,489
Lee Recreation	73,162
Liesch Environmental Services	2,200
Mad City Broadband	168,217
Madison Truck Equipment	2,815
Madison Window Cleaning	2,415
Martin Schreiber & Associates	30,000
Mary Berryman Agard & Associates	12,938
MasterGraphics	19,678
Messner, Inc.	2,057
Messner Landscape Maintenance	143,710
Middleton Power Center	34,009

Miron Construction	273,126
Moor's Salvage and Recovery, Inc.	75,283
Northern Landscape	31,285
Perkins Oil Company	84,981
Plunkett Rayisch Architects, LLP	113,703
Porchlight	920,778
Potter Lawson	34,733
Professional Equipment and Supply	23,375
Shenk-Huegel	125,049
Schmidt's Auto	251,430
Sew Biz Plus	160
Stevens Construction	4,204,321
Stonehouse Development	44,673
Strand Associates, Inc.	25,528
Strang	313,218
Sun Prairie Sand and Gravel	388,786
Supranet	1,684
The Bower Group	124,901
The Bruce Company	17,316
The Canine Butler	7,119
THINK! Toner & Ink	27,961
Vandewalle & associates	80,332
Vierbicher Associates	8,268
Baker Tilley Virchow Krause & Company	426,134
Walker Energy Systems, LLC	39,903
Wells Print & Digital Services, Inc.	2,150
Wiedenbeck	113
ZD Studios	3,500
Zillman Idea design	<u>26,103</u>
Total	17,928,334