

**POLICY STATEMENT NO. 2014-07**

**SUBJECT: Local Business Opportunity**

**DATE: October 16, 2014**

## **POLICY STATEMENT**

**SUBJECT: Local Business Opportunity with the Town**

WHEREAS, the Town of Gilbert values Local Business Opportunity, and

WHEREAS, Gilbert business organizations, including the Gilbert Chamber of Commerce and Small Business Alliance, as well as local businesses, the Town Council and Town management, have expressed a desire for greater accessibility and visibility for local businesses to expand business opportunities with the Town, and

WHEREAS, the Town Council desires to outline a policy that governs Local Business Opportunity;

NOW, THEREFORE, the following policy is hereby established:

### **OBJECTIVES**

**To promote a fair and open competitive environment**, where participation by bidders or proposers is encouraged and maximized, and equitably administered;

**To obtain the best value** for the Town for goods and services; and

**To encourage local businesses to participate in the town's procurement process** which benefits the Town's overall economy

### **SCOPE**

This policy applies to all purchases under \$50,000. Purchases between \$10,000 and \$50,000 must be based on at least three written quotations per Section 2-361 of the Town Purchasing Code, unless the purchase is made pursuant to subsection 2-357 (b).

### **DEFINITION OF LOCAL VENDOR**

For purposes of this policy, a Local Vendor is considered to be a Gilbert business that:

- Has a physical location within the Town of Gilbert;
- Has a Town of Gilbert business license; and/or
- Pays Town of Gilbert transaction privilege (sales) tax

### **PHASE I: VENDOR DATABASE**

To maximize opportunities with the Town, local businesses must be both visible and accessible to Town staff members. The Town's Purchasing Division will maintain a vendor database for local and other vendors to register.

During the first six (6) months of policy implementation, Gilbert businesses will be encouraged to register in the Town's vendor database, through coordinated communications with the Gilbert Chamber of Commerce and Small Business Alliance to their membership, as well as through announcements and directives on the Town's main webpage and on the Purchasing webpage. The focus will be to capture and refine vendor data relating to Gilbert businesses and the specific goods and services they provide.

Prior to the end of the six month period, Town Departments will be provided awareness of the database through e-mail blasts from the Purchasing Division as well as targeted training by Purchasing in how to use the database.

Businesses may be removed from the vendor database for breach of contract or any integrity issues surrounding billing or misrepresentation of contract, as well as repeated performance issues.

### **PHASE II: DEPARTMENT PROCESS FOR OBTAINING VENDOR QUOTES**

Departments shall query the database for names of local vendors who provide the goods or services they require, and contact them for quotes. In the event there are numerous vendors available, a random number process will be used for selection of vendors to solicit quotes to ensure a fair and competitive system.

The Town recognizes the economic benefit of promoting purchases from Gilbert businesses when practical. This policy therefore requires that Town departments solicit at least one local vendor when requesting quotes, unless there are no local vendors who can provide the required good or service.

However, this policy would not restrict Town staff from seeking additional quotes from non-local vendors for purposes of comparison and to obtain additional competition.

The Purchasing Officer shall have the authority to waive the requirements of this policy on an individual case basis if it is in the best interest of the Town to do so.

### **VENDOR OUTREACH**

The Purchasing Division will attend regional vendor outreach events, such as the annual Gilbert Chamber of Commerce Supplier Summit and the National Institute for Governmental Purchasing (NIPG) Reverse Trade Show. These events allow purchasing representatives from governmental entities, including the Town of Gilbert, to meet local vendors and to discuss business opportunities with them.

The Purchasing Division will also hold periodic Town-specific outreach events, where local vendors would be educated in the Town's purchasing and contracting process.

### **PILOT PROJECT**

This policy will be implemented as a pilot project for a period of one year. To measure its success, a spend analysis will be conducted both before and after the project period to determine the level of spend from local vendors.-