

Introduced by: Jones
Date: March 22, 1994
Public Hearing: April 12, 1994
Action: Passed
Vote: 6-Yes, 1-No (Trantham)

ORDINANCE #94-10

AN ORDINANCE OF THE CITY OF BETHEL AMENDING CHAPTER 4.20 OF THE BETHEL MUNICIPAL CODE TO ESTABLISH A LOCAL PREFERENCE OF FIVE PER CENT FOR THE PURCHASE OF MATERIALS, SUPPLIES AND SERVICES

BE IT ENACTED BY THE COUNCIL OF THE CITY OF BETHEL ALASKA:

Section 1. Legislative Findings.

The City Council of the City of Bethel finds the following:

A. Unemployment in Bethel exceeds the average unemployment rate for the State of Alaska.

B. Businesses who have a store or office in Bethel employ residents of Bethel.

C. Maintaining or increasing employment of local residents by local businesses will increase the purchases made by local residents thereby increasing the sales tax revenue on which the City depends to fund municipal services.

D. Businesses who have a store or office in Bethel are at a competitive disadvantage with businesses located in other cities in Alaska when bidding for the supply of materials, supplies or services to the City due to the increased costs of doing business in Bethel. These costs include: (1) relatively more expensive rates for municipally supplied utility service; (2) the administrative expense of collecting municipal sales tax on behalf of the City of Bethel for which no compensation is allowed; and (3) higher rents and additional overhead expense associated with maintain larger inventories due to the seasonal nature of river transportation.

E. Allowing locally-based businesses a preference when bidding on the supply of materials, supplies or services to the City may increase the business opportunities for local businesses thereby increasing employment in Bethel.

F. Allowing locally-based businesses a preference when bidding on the supply of materials, supplies or services to the City will not necessarily impact the City's finances in an amount equal to the preference because the local merchants who have

purchased those supplies or materials from others for resale in Bethel will have to collect the five percent municipal sales tax from their suppliers for all items resold to the City.

G. Allow locally-based businesses a preference when bidding on the supply of materials, supplies or services to the City will encourage businesses to locate in Bethel thereby improving the local economy.

Section 2. If any part or provision of this ordinance or application thereof to any person or circumstance is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

Section 3. Section 4.20.010 of the Bethel Municipal Code is amended to read as follows:

4.20.010 Purpose. The purpose of this chapter is to provide for the fair and equitable treatment of all persons involved in public purchasing by the city, to maintain and improve local employment opportunities by encouraging the City of Bethel to purchase supplies and materials locally when feasible, to increase sales tax receipts, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.

Section 4. Section 4.20.030 of the Bethel Municipal Code is amended by adopting a new subsection "M" to read as follows:

M. Local Business. "Local Business" means a business with fixed offices or distribution points located within the boundaries of the City of Bethel and who has a current City of Bethel business license and who is at the time of bidding or proposing in compliance with all requirements of the City of Bethel sales tax ordinance. A Bethel post office box number or residential address may not be used solely to establish status as a "Local Business."

and by relettering the existing following subsections as "N" through "X."

Section 5. Section 4.20.090 (E) of the Bethel Municipal Code is amended to read as follows:

E. Bid Acceptance and Bid Evaluation. Bids shall be unconditionally accepted without alteration or correction, except as otherwise authorized in this chapter. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for awards shall be objectively measurable, such as discounts, transportation costs, and total life cycle costs. The invitation for bids shall set forth the evaluation criteria to be used. The criteria shall include a statement that any Local Business submitting a bid shall receive a five percent (5%) preference in determining the lowest responsible and responsive bidder. No criteria may be used in bid evaluation that are not set forth in the invitation for bids.

Section 6. Section 4.20.090 (G) of the Bethel Municipal Code is hereby amended to read as follows:

G. Award. The contract shall be awarded with reasonable promptness by appropriate written notice to the Local Business that is the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids provided such bid does not exceed by more than five percent (5%) the lowest bid of any bidder that is not a Local Business. In the event the low responsive and responsible bid exceeds available funds as certified by the finance director, and such bid does not exceed such funds by more than five percent (5%) the city manager or authorized designee is authorized, when time or economic considerations preclude resolicitation of work of a reduced scope, to negotiate an adjustment of the bid price within the amount of available funds. Any such negotiated adjustment shall be based only upon eliminating independent deductive items specified in the invitation for bids.

Section 7. Section 4.20.100(E) of the Bethel Municipal Code is hereby amended to read as follows:

E. Evaluation Factors. The request for proposals shall state the relative importance of price and other evaluation factors. The evaluation factors shall include a statement that any Local Business submitting a proposal shall receive a five percent (5%) preference in evaluating the proposed price.

Section 8. Section 4.20.150(A)(2) of the Bethel Municipal Code is hereby amended to read as follows:

2. Ten Thousand Dollars or More, but Less than Twenty Thousand Dollars. For the procurement of any single item, or purchase order transaction expecting to cost ten thousand dollars or more, but less than twenty thousand dollars, no less than three

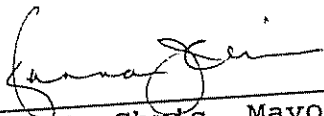
businesses shall be solicited to submit written quotations. The names of the businesses submitting quotations shall be recorded and maintained as a public record. Any Local Business whose quotation does not exceed by more than five percent (5%) the lowest price quotation received from any person who is not a Local Business shall be considered to have submitted a quotation lower than that submitted by the person who is not a Local Business.

Section 9. Section 4.20.150(A)(3) of the Bethel Municipal Code is hereby amended to read as follows:

3. Five Thousand Dollars or More, but Less than Ten Thousand Dollars. For the procurement of any single item or purchase order transaction expecting to cost five thousand dollars or more, but less than ten thousand dollars, at least three businesses shall be contacted for a phone quotation. The names of the businesses submitting a phone quotation shall be recorded and maintained as a public record. Any Local Business whose quotation does not exceed by more than five percent (5%) the lowest price quotation received from any person who is not a Local Business shall be considered to have submitted a quotation lower than that submitted by the person who is not a Local Business.

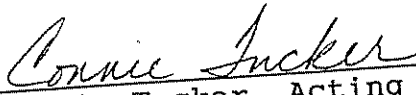
Section 10. Effective Date. This ordinance shall become effective July 1, 1994.

PASSED AND APPROVED THIS 12TH DAY OF APRIL, 1994.



Donna J. Chris, Mayor

ATTEST:



Connie Tucker, Acting City Clerk