

Procurement Preferences

City Council Work Session
Tuesday, March 31, 2015

Presented By
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Procurement Preferences

Back in August of 2014, City Council posed the following questions:

Carbon Footprint-

- Can the City award additional points to bidders who demonstrate that their use of sustainable practices will result in a reduced carbon footprint?

Businesses Who Serve Or Employ Disabled Persons-

- Can the City award additional points to bidders who serve or employ disabled persons?

Procurement Preferences

Carbon Footprint-

- The definition of Carbon Footprint is the total sets of greenhouse gas emissions caused by an organization, event, product or person.
- Can the City award additional points to bidders who demonstrate that their use of sustainable practices will result in a reduced carbon footprint?
 - **Recommendation-** Not recommended at this time until further research can be conducted.
 - **Reasons:** This type of procurement preference or giving additional points has not yet been adopted by any entity in Arizona;
 - We need additional time to review options to present to Council that are effective and legally enforceable. Some options that have been adopted have received challenges;
 - Complex methodologies are used to measure the total carbon footprint and cannot be calculated accurately because of the large amount of data required; and
 - Carbon dioxide can be produced by natural occurrences.
- If Council chooses to proceed, we will discuss whether we believe evaluation criteria could be applied to all solicitations. This will take considerable staff time to conduct this evaluation since this is a novel concept in Arizona.

Procurement Preferences

Businesses Who Serve Or Employ Disabled Persons-

- In the State of Arizona, purchases from businesses who serve or employ disabled persons are limited to the following:
 - Arizona industries for the blind;
 - Certified nonprofit agencies that serve individuals with disabilities; and
 - Arizona correctional industries.
- Can the City award additional points to bidders who serve or employ disabled persons?
 - **Recommendation**- Proceed ahead and revise our City's Procurement Code Manual to incorporate language from A.R.S., 41-2636 that allows procurement preferences for Arizona businesses who serve or employ disabled persons where the City may direct select.
 - **Reason**: Social Responsibility
 - **Alternative** – Revise our City's Procurement Code Manual and incorporate the same language as referenced above with a set aside percentage applicable to the City's purchases or contracts to Arizona businesses who serve or employ disabled persons.



Procurement Preferences

Businesses Who Serve Or Employ Disabled Persons-(Cont'd)

Proposed Language-

- “The City may purchase or contract for any products, materials and services directly from Arizona industries for the blind, certified nonprofit agencies that serve individuals with disabilities and Arizona correctional industries without competitive bidding if the delivery and quality of the products, materials or services meet the City’s reasonable requirements”, as determined by the Director and the requesting Department”.

OR

- “The City may set aside, at minimum, ??% of its purchases or contracts for any products, materials and services directly from Arizona industries for the blind, certified nonprofit agencies that serve individuals with disabilities and Arizona correctional industries without competitive bidding if the delivery and quality of the products, materials or services meet the City’s reasonable requirements”, as determined by the Director and the requesting Department”.



Next Steps

- Council Direction Tonight:

- Carbon Footprint-**

- If deemed appropriate, conduct additional research on carbon footprint measurement criteria for identifying reliable and equitable standards.
 - Additional research will include the impact on small businesses and any challenges these small businesses might experience.

- Businesses Who Serve Or Employ Disabled Persons-**

- If deemed appropriate, proceed ahead with incorporating new language in the City's Procurement Code Manual allowing a procurement preference for Arizona businesses who serve or employ disabled persons.
 - At minimum, set aside a percentage of the City's purchases or contracts for Arizona businesses who serve or employ disabled persons.



Questions??