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	AGENCY NAME & ADDRESS	Bureau of Purchases 231 East Baltimore Street, Suite 300		
	SUBJECT	Finance Response to City Council Bill #16-0672		

TO

The Honorable President and  
Members of the City Council  
Room 400, City Hall

DATE:  
May 31, 2016

The Department of Finance supports the adoption of purchasing preferences for local small or disadvantaged businesses, and the successful implementation of the preferences as a component of an overall procurement strategy. Finance requests the City Council consider the following recommendations regarding the first reader of Bill #16-0672, which reads as follows:

*(I) LOCAL, SMALL, AND DISADVANTAGED BUSINESS ENTERPRISE PROGRAMS.*

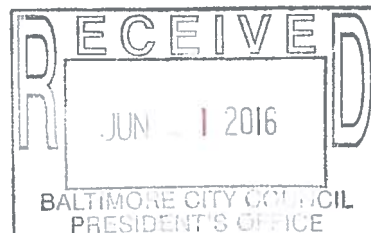
THE MAYOR AND CITY COUNCIL MAY, BY ORDINANCE, ESTABLISH PROGRAMS THAT GRANT PURCHASING PREFERENCES TO LOCAL, SMALL, OR DISADVANTAGED BUSINESSES AND, FOR THAT PURPOSE, WAIVE OR MODIFY THE APPLICATION OF THIS SECTION (WITH THE EXCEPTION OF SUBSECTION (A)) TO CERTAIN TRANSACTIONS.

First, it is recommend that the language referencing a purchasing preference be referenced in Article VI, §11 (h) as subsection (vii), rather than §11 (a)(i).

The current placement and language in the first reader allows the City to waive all specific bidding requirements in the City Charter, such as:

1. Waiver of Board of Estimates approval of the formal award and contract, regardless of dollar value;
2. Waiver of formal advertising requirements in two newspapers of general circulation for a period of not less than 10 days, regardless of value;
3. Waiver of requirement that Board of Estimates opens formal bid responses, regardless of value;
4. Waiver of the requirement that bids, once filed, are irrevocable;
5. Waiver of the requirements for bid and performance bonds on public works contracts, regardless of State or Federal requirements;
6. Waiver of the requirement to follow the Director of Finance's bonding policy on non-construction contracts.
7. Waiver of the requirement that a successful bidder execute a formal contract approved as to its form, terms and conditions by the Law Department.

*Fav w/ Amend*



The Department of Finance further recommends the following language, which is intended to allow for the scoring of preferences:

*“(VII) LOCAL, SMALL, AND DISADVANTAGED BUSINESS ENTERPRISE PROGRAMS.*

**THE BOARD OF ESTIMATES, IN MAKING THE DETERMINATION OF THE LOWEST BIDDER(S), OR IN THE CASE OF REQUESTS FOR PROPOSALS, THE HIGHEST SCORING BIDDER, MAY TAKE INTO ACCOUNT ALL PRICE OR SCORING PREFERENCES APPROVED BY ORDINANCE DULY PASSED BY THE MAYOR AND CITY COUNCIL.”**

In the event the honorable members of the City Council desire to exempt certain contracts from advertising requirements, the Department of Finance asks that the members consider the balance of cost and value of print newspaper advertisements in the current marketplace.

- (1) Baltimore no longer has multiple newspapers of general circulation published in Baltimore. The Baltimore Sun is the only newspaper of general circulation published in Baltimore, but it is no longer a locally owned company, as it is now owned by Tribune Publishing of Chicago, Illinois.
- (3) Advertisement in print newspapers is no longer the most effective way to inform interested parties in bidding opportunities, as free online notices are widely used, and more readily found by contractors with limited time and resources. Those vendors are now able to set up automatic notifications based upon areas of expertise and interest.
- (4) The City could save on the advertising costs currently borne by agencies by removing this requirement from the City Charter.

Modified advertisement language is suggested as follows:

*“(c) Formal advertisement*

**In contracting for any public work, or the purchase of any supplies (unless otherwise provided by ordinance for foodstuffs and related perishables), materials, equipment, or services ~~other than professional services~~, for the City or by any municipal agency, involving an expenditure of greater than the threshold set under subsection (b) of this section, advertisements for proposals shall ~~first be published at least twice in two or more newspapers of general circulation published in Baltimore City, and published electronically to the public, unless otherwise provided by the Charter. The first publication shall be made~~, FOR A PERIOD OF NOT LESS THAN 14 nor more than 90 CONSECUTIVE CALENDAR DAYS, prior to the day set for opening the bids.”**

The Honorable President and Members of the City Council  
March 24, 2016  
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The Department of Finance, through its Bureau of Purchases, is happy to work with the City Council as it drafts modifications to this legislation.

cc: Henry Raymond, Director of Finance  
Steve Kraus, Deputy Director of Finance  
Erin Sher Smyth, Deputy City Purchasing Agent