



Life Connected.

CITY OF CELINA LOCAL PREFERENCE POLICY

DESCRIPTION	EFFECTIVE DATE	RESOLUTION #
Adopted by Resolution on:	5/10/2022	
REVISIONS		

LOCAL PREFERENCE POLICY

1. PURPOSE

- 1.1 The purpose of this policy is to comply with Sections 271.905 and 271.9051 of the Texas Local Government Code allowing for consideration of location of bidder's principal place of business in the award of a competitively bid contract.

2. AUTHORIZATION

- 2.1. Section 271.905 of the Texas Local Government Code authorizes the City of Celina to consider the location of a bidder's principal place of business in awarding a bid for real or personal property. City Council must determine, in writing that the local bidder offers the City the best combination of contract price and additional economic development opportunities for the City created by the contract award. This includes the employment of residents of the City and increases tax revenues to the City.
- 2.2. Section 271.9051 of the Texas Local Government Code authorizes the City of Celina to consider the location of a bidder's principal place of business in awarding a bid for construction under \$100,000. City Council must determine, in writing that the local bidder offers the City the best combination of contract price and additional economic development opportunities for the City created by the contract award. This includes the employment of residents of the City and increases tax revenues to the City.
- 2.3. The chart below summarizes the criteria for the lowest responsible bid.

LGC 271.905	LGC 271.9051
<ul style="list-style-type: none">• 3% Differential• All other bids, excluding construction and services, greater than \$500,000	<ul style="list-style-type: none">• 5% Differential• Construction Bids less than \$100,000• All other bids, including services, less than \$500,000

- 2.4. City Council may award a competitively bid contract to the lowest responsible bidder, a local bidder or reject all bids.
- 2.5. This policy does not apply to purchases obtained through a request for qualifications (RFQ), request for proposal (RFP), bids involving federal funds, grant funds, or interlocal agreements.

3. DEFINITIONS

- 3.1. **Local Public Official** means a member of the governing body or another officer, whether elected, appointed, paid or unpaid of the City of Celina.
- 3.2. **Lowest Responsible Bid** means price is the single determinant factor when awarding a bid to a responsible bidder.

- 3.3. **Best Value Bid** means price is only one of a number of determining factors that are weighted for evaluation purposes.
- 3.4. **Real Property** means land, improvement, or an estate or interest in real property, other than a mortgage or deed of trust creating a lien on property or an interest securing payment or performance of an obligation in real property.
- 3.5. **Personal Property** includes appliances, equipment, facilities, and furnishings, or an interest in personal property, whether movable or fixed, considered by the governing body of the governmental agency to be necessary, useful, or appropriate to one or more purposes of the governmental agency. The term includes all materials and labor incidental to the installation of that personal property. The term includes electricity and cloud computing services. The term does not include real property.
- 3.6. **Local Government** means the City of Celina.
- 3.7. **City** means the City of Celina.
- 3.8. **Debt** includes delinquent taxes, fines, fees, and delinquencies arising from written agreements with the City.
- 3.9. **Substantial Interest** as defined by Section 171.002 of the Texas Local Government Code includes:
 - 3.9.1. The person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity;
 - 3.9.2. Funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year;
 - 3.9.3. A person has a substantial interest in real property if the interest in equitable or legal ownership with a fair market value of \$2,500 or more; or
 - 3.9.4. A local public official is considered to have substantial interest if a person related to the official in the first degree has substantial interest.

4. GENERAL PURPOSE AND INTENT

- 4.1. The purpose and intent of this Policy is to set forth the parameters under which the City of Celina may consider the location of a bidder's principal place of business in awarding a bid.
- 4.2. All applications will be considered on a case-by-case basis, and the decision to approve or deny consideration shall be at the discretion of the City Council.
- 4.3. Tie Bids - If all factors and conditions relating to the bids are equal, then the tie bid will be awarded to the local vendor. If more than one vendor is local or none is local, then a coin toss will be conducted by Purchasing with at least one witness.

4.4. **Award**

- 4.4.1. Bidders seeking local preference must meet all specifications and minimum requirements contained in the bid documents.
- 4.4.2. The City of Celina reserves the right to award a contract to the lowest bidder or to award the bidder whose principal place of business is within the Celina city limits.
- 4.4.3. The City Council must determine in writing that the local bidder offers the City the best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of residents of the City of Celina and increases tax revenues to the City of Celina.

5. **CONSIDERATIONS**

- 5.1. The bids must be for any real property or personal property that is not affixed to real property.
- 5.2. The location of the bidder's principal place of business must be in the City Limits, as evidenced by submission of the current and valid Franchise Tax Certificate and the Certificate of Account Status on file with the Texas Secretary of State, or other documents if applicable under the Texas Business Organizations Code.
- 5.3. The local bidders bid price must be within 3% of the lowest and best-qualified bid for competitive bids of goods over \$500,000.
- 5.4. The local bidders bid price must be within 5% of the lowest and best-qualified bid for construction under \$100,000 and bids of goods or services less than \$500,000.
- 5.5. The bidder must include in the bid a written application for the Local Business Preference providing objective information satisfactory to the City Council as to how the award of the bid will lead to additional economic development opportunities for the City created by the contract award, including (1) the employment of City residents, and (2) increases tax revenues to the local government. Such information shall be appropriate to the type of bid, but may include, but not limited to:
 - 5.5.1. Bid amount as percentage of reported local annual sales/revenue;
 - 5.5.2. Economic impact – number of employees added within past 12 months;
 - 5.5.3. New job by salary category;
 - 5.5.4. Local annual property taxes paid.
- 5.6. The bidder must not be tax-delinquent as to federal, state, or local taxes.
- 5.7. The bidder may not subcontract the award, or any part of the award.
- 5.8. The bidder must not be indebted to the City.

- 5.9. Rules relating to Texas Local Government Code 171.004 regarding substantial interest shall be followed by any local public official and in accordance with the Purchasing Policy.

6. **APPLICATION**

- 6.1. Written Application: A bidder may request consideration for Local Business preference by submitting the required information as part of the bid.
- 6.2. There are no fees to submit the application.
- 6.3. Content of Application: The application must include objective, verifiable information from the bidder as to how the local bidder offers the City the best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of City residents and increased tax revenues to the City. The application form may require such financial and other information as the City deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.



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CITY OF CELINA

LOCAL PREFERENCE APPLICATION

This application for local preference consideration does not mean that the City of Celina is limiting responses to the competitive bid process to only businesses located within the City limits. All bids are welcome and encouraged.

Bidders who wish to request a local preference must have their principal place of business located within the City limits.

Bidders must:

1. Meet the minimum requirements of the bid;
2. Provide a Tax Certificate from the tax authority for your location (either Collin or Denton County Tax Assessor) showing the current status of taxes, penalties, interest, and any known costs due on a property; and
3. Submit the completed application.

**CITY OF CELINA
LOCAL BUSINESS PREFERENCE
APPLICATION**

Solicitation # _____

Solicitation Name _____

Applicant Name _____

Business Name _____

DBA Name _____

Business Type: **Sole Proprietor** **Partnership** **Corporation**

Other: _____

QUALIFICATIONS

A. Where is your principal place of business?

Principal place of business is defined as any business, which owns or leases a commercial building within the City limits and uses the building for actual business operations.

B. Are you delinquent in paying federal, state, or local taxes for the business listed above?

Yes _____ No _____

C. Are you registered to do business with the Texas Secretary of State?

Yes _____ No _____

1. Attach a copy of your current Franchise Tax Certificate on file with the Texas Secretary of State.
2. Attach a copy of your current Certificate of Account status on file with the Texas Secretary of State.
3. If the above documents do not apply, explain why and provide the equivalent documents required by the Texas Secretary of State and/or Texas Business Organizations Code for your type of business entity.

D. Economic Development Opportunities.

1. How will the bid award lead to additional economic development opportunities for the City?

2. Total number of current employees who are residents of the City of Celina?

3. Will award of this contract result in the employment and retention of residents of the City of Celina?
4. Will award of this contract result in increased tax revenue to the City?
5. If yes, what type of taxes?
 - a. Property
 - b. Sales Taxes
 - c. Hotel Occupancy Taxes
6. Other economic development benefits deemed pertinent by applicant. This information includes but is not limited to:
 - a. Bid amount as percentage of reported local annual sales/revenue, or total commodity sales.
 - b. Economic impact- number of employees added within past 12 months.
 - c. New jobs by salary category.
 - d. Local annual property taxes paid.

E. No Subcontracting of Award.

The bidder may not subcontract the award, or any part of the award. Doing so will be grounds for termination of the contract and penalties.

Agree Yes _____ No _____

F. Contributions to members of City Council.

All political contributions by the bidder to members of City Council for the previous 12 months by the bidder must be disclosed. This includes owners, principals or officers of the bidder that is a corporation or other legal entity. Complete the attached Affidavit.

G. Agreement to “Buy Local.”

If you are awarded the bid, you agree to give preference and priority to City manufacturers, suppliers, contractors and labor, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency.

H. Confidentiality

Information that is provided to the City in connection with an application or request for Local Business Preference shall be kept confidential and not be subjected to public disclosure except as required by law, the Texas Attorney General, or by an order of a court. Written information shall be released pursuant to a request under the Public Information Act, Chapter 552 of the Texas Government Code, as amended, by the officer for public information or his or her designee in accordance with the standards established under that act for confidentiality and closed records.

The undersigned does hereby affirm that the information supplied in this application are true and correct as of the date below.

Signature

Date

Printed Name

Title

AFFIDAVIT

To be completed by all vendors as described in section D of the local business preference application- By owner, if vendor is a sole proprietorship, or all principals and officers if the vendor is a corporation or other legal entity

THE STATE OF TEXAS

COUNTY OF _____

I am fully competent to make this affidavit, and the information contained herein is based upon my personal knowledge.

1. My name is _____

2. My title: _____

3. For the previous twelve months, I, made the following campaign contributions, gifts or any transfers of cash, checks or anything of value to any member of the City of Celina City Council, any person related by marriage or birth to the City Council or any member of the City of Celina administrative staff: (Provide Date, Amount or Cash Value of Gift, and Recipient's Name and Title).

[add any additional information you think necessary or appropriate]

Signature

Date