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**RECEIVED****MAR 20 2009****CITY MANAGERS OFFICE  
LAWRENCE, KS****FACSIMILE TRANSMITTAL SHEET**

TO:	FROM:
David Corliss	Steve Glass
COMPANY:	DATE:
City of Lawrence	3-20-09
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
	5
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE:	YOUR REFERENCE NUMBER:
Local Purchasing Preference	

☐ ORIGINAL IN MAIL ☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY

**Notes/Comments:**

David,

Attached is a letter addressed to the Mayor concerning the agenda item on local purchasing preferences. I would appreciate it if you would have this passed on to Mike and the other Commissioners.

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ASPHALT

CONCRETE

CONSTRUCTION

RECYCLE

March 20, 2009

Mayor Michael Dever  
City of Lawrence  
P.O. Box 708  
Lawrence, KS 66044

Re: Local Purchasing Preferences

Dear Mayor Dever:

I noted that the issue of local purchasing preferences is once again on the City Commission's agenda and would like to offer my thoughts on this issue.

As I am sure staff has shared with you this issue has been raised several times in the past and each time, after considering the potential ramifications of such a policy, the City Commission has decided not to approve local purchasing preferences. Our company has consistently supported this position, as evidenced by the enclosed copies of previous correspondence, and we continue today to support this position.

It is our belief that the construction industry and the taxpayers benefit by treating bids from all contractors equally rather than giving preference to local contractors. As a contractor this position is obviously easier to support when one is the low bidder than when one is underbid by a non-local bidder. However, we believe very strongly in an unbiased sealed competitive bid process for government contracts and feel that whether we are the successful bidder or not we must consistently support this process. In addition, as the staff memo points out, there are multiple administrative issues and potential ramifications to consider if a local purchasing preference policy is approved.

I strongly encourage the City Commission not to support a local purchasing preference ordinance that would apply to the construction industry. I understand that other industries may deserve different treatment than the construction industry. However if action is taken in support of those industries I suggest that the construction industry be clearly excluded from a local preference ordinance.

Sincerely,

A handwritten signature in dark ink, appearing to read "Stephen E. Glass".

Stephen E. Glass  
President

Cc: David Corliss, City Manager

**ASPHALT****CONCRETE****SAND****CONSTRUCTION**

April 13, 1992

Mayor Bob Schulte  
City of Lawrence  
City Hall  
Lawrence, KS 66044

Dear Bob:

I noticed in the newspaper that the City Commission is considering the local bidder preference issue again. This issue seems to reappear on a regular basis even though it has been rejected each time it has been considered.

I have enclosed copies of letters I wrote on November 15, 1990 and November 19, 1984 which outline my reasons for opposing local bidder preference. I hope you will consider these as you discuss the issue.

Sincerely,

Stephen E. Glass  
President

SEG/kam

enclosures

**ASPHALT****CONCRETE****SAND****CONSTRUCTION**

November 15, 1990

Mayor Shirley Martin-Smith  
1616 Louisiana Street  
Lawrence, KS 66044

Dear Shirley:

I read in last night's paper that the City Commission plans to study the issue of giving local firms preferential treatment on city contracts. This concept seems to re-appear every few years, however, previous Commissions have rejected the idea and I strongly urge the current Commission to also reject the idea.

I have enclosed a copy of a letter which I wrote to the City Commission in November of 1984. As you will note in my letter the local preference issue was being considered at that time and I listed several arguments against such a policy. I feel each of these arguments is equally valid today and hope you will give them serious consideration before making your decision.

In summary I believe it is in the best interest of the citizens of Lawrence for the city to continue the current policy of accepting the lowest qualified bid. Although there may be cities in Kansas which have a local preference policy, I have never personally encountered such a situation. In any case we should do what is best for Lawrence, not what some other city may have been pressured into doing. I sincerely hope that you will choose to continue the existing policy.

Sincerely,

Stephen E. Glass  
President

pw

cc: Robert Walters  
Mike Rundle  
David Penny  
Robert Schumm  
Mike Wildgen

November 19, 1984

Members of the City Commission  
City Hall  
Lawrence, KS 66044

Dear Commissioners:

I am writing to express my opposition to the recent proposal to give preference to local bidders on City projects. This proposal may appear very reasonable at first glance, however, upon further consideration, the implications of such a program can be seen to be negative for both the City and local contractors.

There are two essential points that I hope you will consider in your review of this proposal.

1. The purpose of sealed competitive bidding is to provide an owner with the best price for a project and to provide all qualified bidders with a fair and equal opportunity to be awarded the contract. Under the present system, all qualified bidders can prepare their bids knowing they have an equal chance, without potential discrimination of any type, of being awarded the contract.

If a preference factor is to be established, several questions must first be resolved. How much of a preference is fair and reasonable? Does the preference vary depending on the size of the contract? Does the preference apply to a contractor who is based in Douglas County, but not in Lawrence? Does the preference apply to bidders who maintain a local office but are headquartered elsewhere? There are other such details which must be answered and which would further complicate the matter. Even if all the details can be resolved, I believe in the final analysis the only fair preference factor is no preference factor.

2. Many local contractors, our company included, perform a significant portion of their work outside of Lawrence and Douglas county. If the City of Lawrence establishes a local preference policy, it will only be a matter of time before other area cities follow suit. When that happens, Lawrence contractors will potentially suffer a decline in their out of town contracts.

As an example, during 1984, our company performed work for cities or school districts located in Ottawa, Bonner Springs, Paola, and Overland Park. We used our local employees and equipment, which is based and taxed in Lawrence, while performing these contracts. None of the government agencies involved had any sort of local preference policy.

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Because Lawrence does not provide enough potential work of the types we perform, we must depend on obtaining work in other area cities if we are to maintain our present level of employment and equipment investment. If the City of Lawrence establishes a local preference policy and other area cities follow suit, the end result for our company would probably be reduced employment and reduced equipment investment. This would result in reduced local taxes which is exactly the opposite result from what the local preference policy is intended to create. I feel sure that other local contractors would also be affected in the same manner.

I trust that you can see from the above comments that the potential impact of a local preference policy could be very negative and could create numerous administrative problems for the City. I hope that you will reject any proposal to establish a local preference policy in our City. Please feel free to call me if I can be of any assistance to you.

Sincerely,

Stephen E. Glase  
Vice President

SEG/df