

**GRAND JUNCTION CITY COUNCIL
WORKSHOP AGENDA**

**MONDAY, MAY 15, 2006, 7:00 P.M.
CITY HALL AUDITORIUM
250 N. 5TH STREET**

MAYOR'S INTRODUCTION AND WELCOME

7:00 COUNCILMEMBER REPORTS

7:10 CITY MANAGER'S REPORT

7:15 REVIEW FUTURE WORKSHOP AGENDAS [Attach W-1](#)

7:20 REVIEW WEDNESDAY COUNCIL AGENDA

7:30 UPCOMING BOARD VACANCIES: The application deadline for a number of the board openings is May 15. City Clerk Stephanie Tuin will update the City Council on applications received and have Council determine interview committees and interview dates.

[Attach W-2](#)

7:40 RIDGES OPEN SPACE: City Attorney John Shaver will review a report regarding the developer's request on open space in the Ridges, Staff's recommendation and the options available.

[Attach W-3](#)

7:50 DOWNTOWN PARKING STRUCTURE UPDATE: Public Works will update the City Council on the status of the Downtown Parking Garage Project including site clean-up, design and construction schedules as well as discussing the options for selling some existing surface parking the City owns.

[Attach W-4](#)

8:25 CITY PURCHASING POLICY: A review of the City's Purchasing Policy as it relates to using local vendors.

[Attach W-5](#)

ADJOURN

FUTURE CITY COUNCIL WORKSHOP AGENDAS

(10 May 2006)

⇒ **MAY 22, MONDAY 11:30 AM** ◀ at the Cemetery Office on Orchard Mesa
11:30 PARKS & RECREATION DEPARTMENT PRESENTATION: City Cemeteries
SPECIAL Meeting to learn about our cemeteries before Memorial Day

JUNE 2006

↪ **JUNE 5, MONDAY 11:30 AM** at Two Rivers Convention Center
11:30 REQUEST FROM THE NEW HIRE-FIRE RETIREMENT BOARD

↪ **JUNE 5, MONDAY Joint Meeting** with area local governments: in City Hall

5:30 WELCOME DINNER: City Hall Break Room

7:00 MEETING WITH THE U.S. BUREAU OF LAND
MANAGEMENT: To Discuss the Process of Oil and Gas
Leases: in the City Hall Auditorium



9:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE
WORKSHOP AGENDAS

9:25 CITY MANAGER'S REPORT

↪ **JUNE 19, MONDAY 11:30 AM** at the Water Treatment Plant
11:30 VISIT/TOUR THE CITY'S WATER TREATMENT PLANT



↪ **JUNE 19, MONDAY 7:00PM** in the City Hall Auditorium
7:00 REGULAR CITY COUNCIL MEETING MOVED FROM WEDNESDAY 21 JUNE
2006

JULY 2006

↪ **JULY 3, MONDAY 11:30 AM** Canceled for Fourth of July

↪ **JULY 3, MONDAY 7:00PM** Canceled for Fourth of July



↪ **JULY 17, MONDAY 11:30 AM** in the Administration Conference Room
11:30 DISCUSS TABOR POLICY

↪ **JULY 17, MONDAY 7:00PM** in the City Hall Auditorium
7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE
WORKSHOP AGENDAS
7:25 CITY MANAGER'S REPORT

7:30 APPOINTMENTS TO BOARDS & COMMISSIONS
7:35 OPEN

↪ **JULY 31, MONDAY 11:30 AM** in the Administration Conference Room

11:30 PLANNING UPDATE

12:10 STRATEGIC PLAN UPDATE REPORT FROM TEAM #1: (Evaluate zoning & infrastructure as tools to encourage development along major corridors)

↪ **JULY 31, MONDAY 7:00PM** in the City Hall Auditorium

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 ANNUAL PERSIGO MEETING: Check with BOCC



AUGUST 2006

↪ **AUGUST 14, MONDAY 11:30 AM** in the Administration Conference Room

11:30 OPEN

↪ **AUGUST 14, MONDAY 7:00PM** in the City Hall Auditorium

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 OPEN

↪ BIN LIST ↪

1. Meeting with the Visitor & Convention Bureau Board of Directors (August)
2. Riverside Parkway: Phase III Update

2006 Department Presentations to City Council

1. Administrative Services? (GIS)

Geographic Information System _____

**Attach W-2
Upcoming Board Vacancies**

CITY OF GRAND JUNCTION

CITY COUNCIL AGENDA						
Subject		Upcoming Appointments to Boards & Commissions				
Meeting Date		May 15, 2006				
Date Prepared		December 19, 2011			File # NA	
Author		Stephanie Tuin		City Clerk		
Presenter Name		Stephanie Tuin		City Clerk		
Report results back to Council		X	No		Yes	When
Citizen Presentation			Yes	X	No	Name
X	Workshop		Formal Agenda			Consent
						Individual Consideration

Summary: Applications have been solicited so this will be a review of those received, a determination of interview committees and interview dates.

The City advertised for applications for the following boards: the Avalon Theatre Advisory Committee, the Downtown Development Authority/Downtown Grand Junction Business Improvement District, the Parks and Recreation Advisory Board, the Ridges Architectural Control Committee, the Riverfront Commission and the Urban Trails Committee. Applications are still being accepted for the Riverfront Commission and the Ridges ACC until June 1.

Since applications officially close on Monday, May 15, I will provide you with an updated report at the workshop.

Budget: NA

Action Requested/Recommendation: Direction on scheduling interviews.

Attachments:

1. The current membership roster for all boards being discussed
2. Letter form Tom Dixon, Parks & Recreation Advisory Board chair

Background Information:

AVALON THEATRE ADVISORY COMMITTEE: Six applications have been received for this is a newly created volunteer board that will act to enhance and further the functional, aesthetic and cultural value of the Avalon Theatre. The City also received DDA's recommendation for their representative. The membership shall consist of four at-large members along with representatives from the Downtown Development Authority, the Avalon Foundation Board and the Cinema at the Avalon Board. The City Council will be looking for expertise for the at-large members in the following areas: Marketing/Business Management/Tourism/Event Management, Fund Raising/Capital Improvement Management/Grant Writing, Arts Community/Historic Preservation/Cultural Influences or a Citizen/Avalon Patron. All of the applicants so far have indicated their expertise in these areas. The applications received are from: John Borgen, Alan Friedman, Ron Beach, Andre van Schaften, Pat Gormley and Joan Smokoski. DDA is recommending Harold Stalf for their representative. I have not received anything from CAI or the Avalon Foundation as of this writing.

- Who wants to be involved in the interviews?
- Will you be interviewing the three board recommendations?

DOWNTOWN DEVELOPMENT AUTHORITY/DOWNTOWN GRAND JUNCTION BUSINESS IMPROVEMENT DISTRICT: Three new applicants have applied and the two incumbents are asking for reappointment. The DDA's primary purpose is to facilitate the reinvestment in and the redevelopment of downtown Grand Junction. The function of the Board of Directors is to establish policy and direct the Authority in its efforts. DDA Board members also serve as the board for the Downtown Grand Junction Business Improvement District (DGJBID). The DGJBID Board provides a continuity of effort in the promotion and revitalization of the business activities in the District by improving the economic vitality and overall commercial appeal of the Downtown area. Applications received are from: Bill Keith, David Weaver and Stephen Thoms. Both PJ McGovern and Michael Mast have requested reappointment.

Please advise:

- Who will be available for interviews?
- What time frame will work for scheduling interviews?
- Do you want to interview in conjunction with the ATAC?

PARKS AND RECREATION ADVISORY BOARD: Three applications for the board have been received. The one eligible incumbent has not submitted a letter requesting reappointment. The Board assists in the planning of recreation activities, and it helps to promote a long range program for the development of the City's park system. Applications have been received from Cindy Enos-Martinez, William Findlay and Jack Scott. I have also received a letter from the board chair Tom Dixon regarding qualifications needed on this board. That letter is attached.

- Who wants to interview?

URBAN TRAILS: Six applications have been received and as of this writing, nothing has been received from the two eligible incumbents asking for reappointment. Just this week, a resignation was received from another board member, Robert Tallarico. That means there are five vacancies. The purpose of this board is to promote and facilitate trail design and construction within the City of Grand Junction, and to plan for integration with trails in areas which will be annexed. Applications have been received from Ross Palmer, John Borgen, Roger Stanton, David Cooper, Joseph Moreng and Jon Burnham.

The Riverfront Commission conducts interviews for this board and makes a recommendation to the City Council. Therefore, all applications will be forwarded to the Riverfront Commission Co-Chairs.

AVALON THEATRE ADVISORY COMMITTEE

Three year Terms
Seven Member Board

NAME	APPTED	REAPPT'D	EXP	OCC'N
			7/07	
			7/07	
			7/08	
			7/08	
			7/09	
			7/09	
			7/09	

Created in 2006 by Resolution No. 27-06

Board consists of a representative from DDA, CAI and the Avalon Foundation Board as well as 4 at large members.

DOWNTOWN DEVELOPMENT AUTHORITY

Four-Year Term
Nine-Member Board

NAME	APPTED	REAPPT'D	EXP	OCC'PN
Doug Simons	08-04-99	07-02-03	06-30-03 06-30-07	Enstrom Candies - President
P.J. McGovern	04-05-00	07-17-02	06-30-02 06-30-06	Pizza hut owner, owns other property downtown
Mike Mast	5-19-04		06-30-06	VP Commercial Lending, Bank of Colorado
Scott Howard	07-02-03		6-30-09	Part Owner, Rockslide Brew Pub
Bill Wagner	5-19-04		6-30-08	Metro Brokers
Karen Vogel (Chair)	07-02-03		06-30-07	Chief Fin. Officer/Treas .
Harry Griff	05-01-02	5-19-04	6-30-08	Attorney, Partner in law firm
Peggy Page	6-15-05		6-30-09	Owner President
Jim Doody	05-05		05-06	City Council

Nine member board appointed by the Grand Junction City Council. Each of the eight members must be a resident, business lessee or own real property within the boundaries of the DDA. One member shall be appointed from the City Council and is exempt from the above qualifications.

Created: 1976

Meetings: Second and Fourth Thursdays starting July 14, 2005, 7:30 a.m.,
Whitman Education Center, 248 S. 4th Street

DOWNTOWN GRAND JUNCTION BUSINESS IMPROVEMENT DISTRICT

(DGJBID)

Four-Year Term
Nine-Member Board

NAME	APPTED	REAPPT'D	EXP	OCC'PN
Doug Simons	08-04-99	07-02-03	06-30-03 06-30-07	Enstrom Candies - President
P.J. McGovern	04-05-00	07-17-02	06-30-02 06-30-06	Pizza hut owner, owns other property downtown
Mike Mast	5-21-04		06-30-06	VP Commercial Lending, Bank of Colorado
Scott Howard DTA Rep.	07-02-03		6-30-09	Part Owner, Rockslide Brew Pub
Bill Wagner	5-21-04		6-30-08	Metro Brokers
Karen Vogel DTA Rep.	07-02-03		06-30-07	Chief Fin. Officer/Treas .
Harry Griff	05-01-02	5-21-04	6-30-08	Attorney, Partner in law firm
Peggy Page	6-15-05		6-30-09	Owner President
Jim Doody	05-05		05-06	City Council

Nine member board appointed by the Grand Junction City Council. Each of the eight members must be a resident, business lessee or own real property within the boundaries of the BID. One member shall be appointed from the City Council and is exempt from the above qualifications.

Created: 2006

Meetings: Quarterly, the fourth Thursday, 7:30 a.m., (January, April, July, October)
Whitman Education Center, 248 S. 4th Street

PARKS AND RECREATION ADVISORY BOARD

Three-Year Terms
Seven Member Board

	NAME	APPT	REAPPT	EXP	OCC'N
	Jack Neckels	01-19-05	6-15-05	06-30-08	Retired
Term limited →	Bernie Goss (Chair)	07-19-00	07-02-03	06-30-03 06-30-06	Athletic Trainer/ Counselor-St. Mary's
	Dennis Teeters	6-15-05		06-30-08	Retired
	Dennis Derrieux	08-01-01	6-04	06-30-07	Home Loan & Investment
	Reford Theobold	07-02-03		06-30-06	Owner – TNT Promotions
	David Detwiler	10-02-02	5/21/04	06-30-07	Director of Pre- Construction Services
	Tom Dixon	5-21-04		06-03-07	Planning & Dev. Manager
	Doug Thomason	05-05		05-06	Ex-officio Member

Seven members are appointed by the Grand Junction City Council. Members must be a citizen of the City.

Created: December, 1984, By-Laws: February, 1985

Meetings: Third Thursday, 12 noon, Two Rivers Convention Center

URBAN TRAILS COMMITTEE

Three Year Terms
Seven to Eleven Members

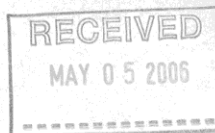
	NAME	APPTED	REAPPTED	EXP	OCCUPATION
	Paul Darr	07-04	9-21-05	06-30-05 06-30-08	Technical Manager
	Craig Parker	08-06-03		06-30-06	Civil engineer
Term limited	Robert Traylor Co-Chair	11-12-98	10-18-00 08-06-03	06-30-00 06-30-03 06-30-06	Attorney
	Janet Hollingsworth	10-18-00	08-06-03	06-30-03 06-30-06	Hilltop Community Resources
	Lydia Reynolds	07-04		06-30-07	Admin. Asst.
resigned	Robert Tallarico	07-04		06-30-07	Retired Structural Eng.
	Judy Craddock	10-18-00	09-05-01 06-30-04	06-30-07	Researcher & Teaching Asst- MSC
	Ken Lane, M.D.	9-21-05		06-30-08	Physician; Anesthesiolo- gist
	Timothy Fry Co-Chair	10-18-00	06-30-02 09-21-05	06-30-02 06-30-05 06-30-08	Business Owner
	Denise McGinnis	07-04	09-21-05	06-30-05 06-30-08	Retired
	Kent Leinbach	08-06-03		06-30-06	Computer system administrator for the BLM

Created: 6-15-94, first appointments made January, 1995

Appointed by Riverfront Commission with the concurrence of the City Council

Meetings: 2nd Tuesday of month at the Public Meeting Room in the old courthouse at 544 Road, 5:30 pm

Staff contact: Michele Rohrbach, 683-4333



May 5, 2006

City of Grand Junction City Council
Stephanie Tuin, City Clerk
250 North 5th Street
Grand Junction, CO 81501

Dear Members of the Grand Junction City Council,

There is at least one upcoming vacancy on the Parks and Recreation Advisory Board that will need to be filled by July. As chairman of the Parks and Recreation Advisory Board I have had several people ask about the opportunity to serve on the Board and have told them about the process for appointment.

Two aspects of evaluation I would like the City Council to consider for any new appointments are as follows. Currently, the Board is composed of all men. It has been my experience over the years with various boards and committees that a mixed gender representation makes for a more varied and beneficial context of discussion. I really feel that the Parks and Recreation Advisory Board should, into the future, provide a much more gender-balanced group of citizens than it has over the course of the past several years. This would help promote a truer representation of what our community is and what it is about.

Secondly, it seems the Board's citizen-based perspective has been somewhat distorted or diluted recently. I think an attempt to provide a broader base of community or neighborhood outlook and reflection could help promote some of the issues the City Council will have to address over the next few years and which the Board will continue to consider and make recommendations on.

I hope these few suggestions are helpful and I look forward to another great year serving the City of Grand Junction on the Parks and Recreation Advisory Board.

Respectfully submitted,

A handwritten signature in cursive script that reads "Tom Dixon". The signature is written in dark ink and is positioned above the typed name.

Tom Dixon,
Chair, Parks and Recreation Advisory Board

Attach W-3
Ridges Open Space

To: Mayor and City Councilmembers
From: Sheryl Trent, Interim Community Development Director
Subject: Ridges Open Space Discussion
Date: May 12, 2006

I have attached a January 6, 2006 memorandum from former Community Development Director Bob Blanchard regarding the Ridges Open Space Issue. Both City Attorney John Shaver and I will be present to discuss the issue with you at your workshop and answer any questions.

We would like direction from the City Council as to how to proceed in this circumstance, and we welcome any feedback. Thank you for your attention to this matter.

TO: Mayor and City Council

FROM: Bob Blanchard
Community Development Director

DATE: January 6, 2006

SUBJECT: Open Space Requirements In The Ridges

Michael Stubbs has indicated he would like to meet with Council regarding the application of the City's open space fees and dedication requirements to his property in the Ridges. No formal request has been made yet. Mr. Stubbs owns several vacant parcels in the Ridges which are gradually being sold for development. It is his contention that the open space requirements have been met when the Ridges was originally approved and that the City's fees should not apply to development of his properties. Legal and planning staff have met with Mr. Stubbs, his attorney and consultant in an attempt to convince him that his contention is inaccurate.

As you are aware, the Ridges was originally approved and initially developed as a Planned Unit Development by Mesa County. As part of the approval, approximately 85 acres of open space was provided as well as numerous parks and a network of detached multi-use trails. Except for two City-owned and maintained parks, all of the remainder of the open space, parks and trails are privately owned and maintained.

In 1992, all developed and undeveloped property in the Ridges was annexed. In 1994, an amended Final Plan for the Ridges was adopted by City Council. One of the provisions of that approval was that any new development must comply with City standards in affect at the time of development.

Section 6.3.A and B of the Zoning and Development Code establish the parks and open space fee and dedication requirements. Section 6.3.A establishes the fee, which is currently \$225.00 per residential unit. This section specifically states that private open space and/or recreation areas cannot be used as a substitute for the required open space fee, park impact fee or land dedication. It also states that the parks impact fee cannot be waived or deferred.

Section 6.3.B provides that for residential developments of ten or more lots or dwelling units, ten percent of the gross acreage of the property must be

dedicated to the City or the equivalent of ten percent of the value of the property must be paid.

Because the open space dedications represented a community benefit and were used to justify the original PUD approval, the staff has taken the position that all current City requirements regarding parks and open space apply to any new development. City staff has consistently represented this position in prior discussions with Mr. Stubbs and during general meetings with potential developers of Ridges properties.

Should you have any questions regarding this issue, please contact me. As noted above, Mr. Stubbs is expected to request a meeting with Council. Staff from the Community Development Department will need to be in attendance should you agree to schedule this matter as a workshop item.

cc: Kelly Arnold, City Manager
John Shaver, City Attorney

**Attach W-4
Parking Structure Update**

CITY OF GRAND JUNCTION

CITY COUNCIL AGENDA							
Subject	Downtown Parking Structure Update						
Meeting Date	May 15, 2006						
Date Prepared	May 11, 2006				File #		
Author	David Varley Trent Prall Mike Curtis		Assistant City Manager Engineering Manager Project Engineer				
Presenter Name	Trent Prall		Engineering Manager				
Report results back to Council	X	No		Yes	When		
Citizen Presentation		Yes	X	No	Name		
X	Workshop		Formal Agenda			Consent	Individual Consideration

Summary: The Downtown Parking Structure is proceeding with final design and site preparation activities. Asbestos abatement of existing structures is currently underway with demolition starting in mid June. Construction on the parking garage is slated to start the end of July.

Attachments: Elevation views for structure

Background: The information below is intended to provide a general background of the status of the many facets of the project.

Asbestos Abatement Schedule: The Project Development Group (PDG) of Las Vegas, Nevada was awarded the contract to remove asbestos from Valley Office Supply and Bank of the West at the April 5th City Council meeting. PDG plans to mobilize May 15 or May 22 and begin abatement in the Valley Office building. The Copy Center removed all of their stored material from the Valley Office building on May 2.

The Bank of The West building will not be vacant until May 31. The schedule to abate asbestos from the Bank of The West building is June 1 through June 15.

Floor tiles and roofing materials that are non-friable asbestos containing materials will not be removed by the asbestos abatement contractor but will be removed by the building demolition contractor. In accordance with Mesa County landfill regulations, the demolition contractor will line their trucks with plastic and seal the floor tiles and roofing materials with the plastic and dispose of this material separately at the Mesa County Landfill.

Walsh Environmental Scientists and Engineers, LLC (WALSH) will monitor the asbestos abatement.

Neighborhood Meeting Schedule: A meeting with the property owners/tenants adjacent to the Rood Avenue Parking Structure site was held on April 27th. Four interested parties attended the meeting. Final schematic floor plans and elevations were displayed. Positive comments were received. A newsletter with an updated construction schedule will be sent out to the property owners/tenants adjacent to the parking structure site.

Demolition and Petroleum Cleanup: Potholing conducted by Rippy Utility Services was able to find a buried basement in the parking lot between Valley Office and Bank of the West. Bid documents were prepared for demolition of Valley Office and Bank of the West and petroleum cleanup and the project was advertised for bids on April 30. The bid opening is scheduled for May 16 with a June 7 City Council award. Demolition is scheduled to start on June 19 and be completed by July 21. Prior to demolition, Xcel Energy will decommission the gas and electric meters and distribution lines that will not be needed. City water crews will abandon the water services that are not needed. WALSH will abandon the majority of the monitoring wells on the parking structure site before demolition starts with approval from the State of Colorado.

Design Schedule: The revised schematic design was presented for review at the PMAG meeting on April 17th. The schematic design plans and elevations were displayed and well received. Addition of an outside stairwell on the alley side of the structure was discussed and added to the project scope. The outside stairwell has a construction cost from \$30,000 to \$35,000. A covered outside stairwell would add \$10,000 to \$15,000 to the construction costs. Design Development will be completed by May 31st. Final Design Drawings will be completed by the middle of July. A foundation and grading packing will be completed by June 15th for an early bidding package.

Construction Schedule: Construction of the Rood Avenue Parking Structure is scheduled to start July 24 and be completed by the end of September 2007.

Operational controls: Parking controls are running on a parallel but separate track. A sub-committee has been formed to evaluate the various types of equipment as well as long term parking control equipment solutions for all of downtown area. The committee will develop recommendations on whether or not to switch over existing lots to park and pay systems, kiosks vs. traditional meters and what type of equipment and software to best manage parking in the downtown core.

Sale of Studio 119 Parking Lot and 3rd & Main Parking Lot: A draft RFP has been prepared for sale of the 3rd and Main property by John Shaver and is being reviewed by Dave Varley and Harold Staf. It is anticipated that the RFP will be available on May 22. The draft RFP requested that responses would be due June 15.

Studio 119 will be sold through a negotiated or a sealed bid process. A decision has not been made as to which process will be used. Two adjacent property owners have expressed interested in the property.



East End of the Garage



Vehicle Entry on Rood Avenue



West Pedestrian Entry



West End Garage



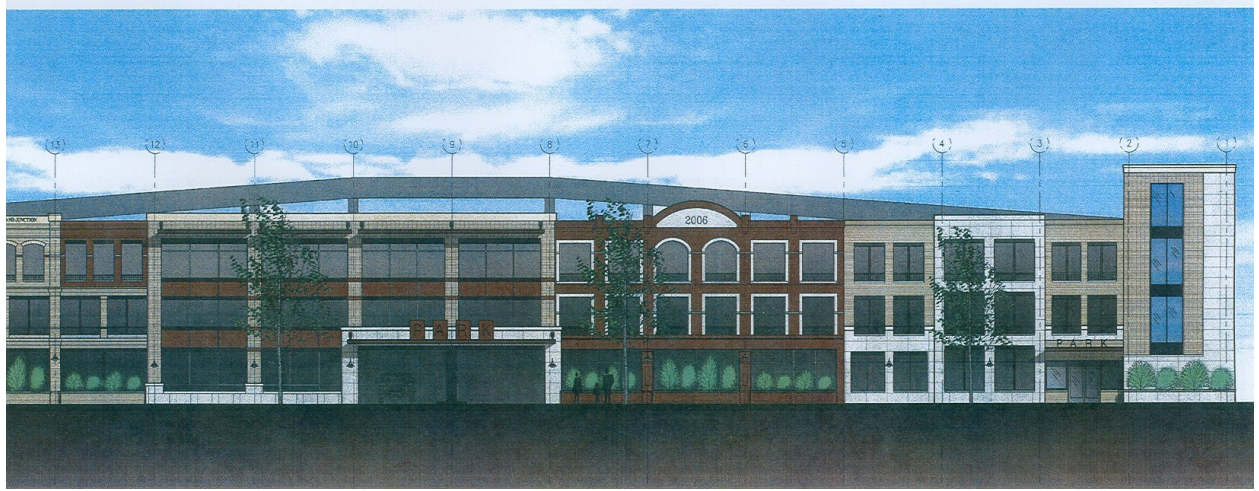
East Pedestrian Entry



East End of Garage



Bird's Eye View (Rood Avenue)



Rood Street Elevation

**Attach W-5
City Purchasing Policy**

CITY OF GRAND JUNCTION

CITY COUNCIL AGENDA						
Subject		Local Purchasing Policy				
Meeting Date		May 15, 2006				
Date Prepared		May 8, 2006				
Author		Ron Watkins CPPO		Purchasing Manager		
Presenter Name		Ron Watkins CPPO Ron Lappi		Purchasing Manager Administrative Services Director		
Report results back to Council		X	No		Yes	When
Citizen Presentation			Yes	X	No	Name
X	Workshop		Formal Agenda			Consent
						Individual Consideration

Summary: This agenda item is for the purpose of reporting current City Purchasing Policy regarding doing business with local vendors and contractors and to delineate the pros and cons of a local vendor preference.

Budget: Although there is no specific budget impact for this report, long term there could be sizable budget impact depending on City Policy.

Action Requested/Recommendation: Review and consider impact of changes to the current policy.

Background Information: In recent months the City's existing Purchasing Policy has been the topic of discussion at several Council Workshops and Council Meetings. Our current Purchasing Policy does not provide for any local preference and therefore the Purchasing Manager can not recommend anything other than lowest responsive and responsible bid, a process that we are in total agreement with. We are very sympathetic with the concerns of the local business community and when sufficient competition is available throughout the community we will often limit the solicitation activity to the local area.

The City Purchasing Manual as approved by the City Council is our policy that guides our decisions and recommendations. The specific policies that deal with us buying from the lowest responsive and responsible bidder are Chapter 11 paragraph 11.2 concerning definitions of a competitive sealed bid (formal) and 11.2 A.8. concerning Award.

The City of Grand Junction has had a long standing policy of totally open and fair competition without local preference. The policy has been discussed by previous Councils. We found references to the issue from 1986, 87, 90, 95, 2004, and now in 2006. The reality is that it is probably discussed annually at one time or another. The subject resurfaces due to good intentions of local business community and elected

officials. On the surface it appears to be a good solution to support the local business community, but in reality it is a costly venture that hurts as many businesses as it helps.

A recent National Institute of Governmental Purchasing survey indicated approximately 32% of all respondents stated that their public entity had a local preference ordinance. 67% of the respondents believed that local preferences adversely impact competition and pricing. The American Bar Association, the National Institute of Governmental Purchasing, The National Purchasing Institute, Associated General Contractors, Council of State Government and the Governmental Finance Officers Association all consistently oppose local preferential treatment.

Local business already enjoys many advantages over the out-of-area vendors. They are:

- better able to provide commodities when we rely on them in lieu of warehousing;
- better able to provide mobilization that is required for construction projects within the scope of their abilities;
- better able to comply with response time requirements placed on service contracts;
- are often the only ones aware of certain projects that are only advertised locally in the Daily Sentinel;
- majority of purchases made by small purchase “direct pay” process and purchasing card are done locally;
- When competition exists and informal processes are allowed (under \$10,000) only local vendors are asked to quote by the using departments.

One of the initial challenges is to define “local”. Is it Mesa County? Is it Grand Junction proper? Is it Grand Junction, Palisade and Fruita? The next issue is what do we want to give preference to? Home grown and manufactured products, vehicles and equipment, construction projects, all miscellaneous commodities, or maybe everything should be included. Maybe we should limit the dollar amount to a maximum, or put it on a graduated scale? Another option is to apply a preference if the entity that the outside bidder attempting to do business in Grand Junction has a preference in it’s statutes or ordinances. Minority business preferences, other disadvantaged business preferences, environmental preferences and many others can come into play when the door is opened.

Preference policies are very complex, cost the governmental entity money to administer and generally cost all the taxpayers more, when they only benefit a few local businesses. Any local business that does business regionally or throughout the state will not benefit, but probably will suffer as a result of a preference. Any form of local preference invites reciprocity by other governmental entities regionally and statewide. It will also discourage out of the area bids after they become aware of the preference policy. In our current economy it is already a challenge for us to obtain bids.

The impacts from a local preference policy are many:

- Prices will rise by the level of the percentage of preference given and possibly go even higher because of the restriction on competition. Even a 1

or 2 percent preference on our annual non- personnel expenditures is sizable.

- Federal regulations prohibit the granting of federal funds unless the entity provides for exception in their preference policy.
- It will limit our participation in many cooperative contracts unless they are excluded. We purchase many items from national, state, and local cooperatives. We currently purchase items such as road salt, traffic paint, water chemicals, office furniture, hand tools, traffic signal equipment, etc. from cooperatives.
- You constantly run into corporate issues during the certification process. National companies having local business locations – do they qualify or not?
- A certification program would have to be implemented to determine and verify residency.
- Implementation of local preference can cause bid protests and lawsuits.
- Grand Junction, being the largest of the western slope communities may cause surrounding communities and counties to implement retaliatory ordinances/policy.

In conclusion, buying locally is always a primary consideration when the purchase can be accomplished in accordance with sound purchasing practices and policies. Local preference can be successful only if the governmental entity is large enough to have several bidders in the majority of categories. Grand Junction is too small to develop the necessary competition. We have challenges now getting even 3 bids.