



Department of Administration
Business Operations Division

Tom Barrett
Mayor

Sharon Robinson
Director of Administration

Cheryl L. Oliva
City Purchasing Director

February 6, 2007

Honorable Alderman Michael J. Murphy, Chair
Finance and Personnel Committee
Of the Common Council

Dear Alderman Murphy:

Attached please find the fiscal notes for File No. 061257, a substitute ordinance relating to procurement of various items, and File No. 061258, a substitute ordinance relating to procurement of Fair Trade Certified products.

As the fiscal note for File No. 061257 indicates, from a procurement prospective, the immediate and future total impact of this proposed legislation is unknown at this time. However, feedback from the City's vendors and experience has shown that additional requirements on the City's terms and conditions for contracts will impact the procurement of goods and services in the following manner:

1. Decrease competition among vendors.
2. Increase cost of goods and services.
3. Negatively impact emerging and local business community participation.
4. Increase procurement cycle time and decrease efficiency.
5. Create need for more staff to administer, monitor and enforce requirements.

With respect to File No. 061258, please note that this proposed legislation will have little or no effect on the City's procurement processes since we have no contracts for coffee, tea and other items listed in this legislation.

If you have any additional questions or concerns, please feel free to contact me.

Sincerely,

Cheryl L. Oliva
City Purchasing Director

Attachments (2)

c: Finance and Personnel Committee

Ref:murphyethicalpurchase