

CITY OF SANTA ROSA PURCHASING DESK PROCEDURE

Title: LOCAL PREFERENCE PROCEDURES	Page 1 of 3	Effective Date June 3, 1993
		Procedure III-B

1. PURPOSE

1.1 To establish the procedures to be used by Purchasing and Stores to implement Section 3-08.120B.1.h of the City Code as adopted on May 4, 1993. The effective date of this ordinance is June 3, 1993.

2. REFERENCE

2.1 The City of Santa Rosa City Code Section 3-08.120B.1.h.

3. BACKGROUND

Over several years certain local vendors have requested Council members to adopt a local preference for vendors whose place of business is located within the urban boundaries. At the request of the Council, an amendment was submitted that is based on having a principal place of business in Santa Rosa, and providing proof of possession of a current City Business Tax Certificate (attached).

4. POLICY

- 4.1 The general policy is located in Reference 2.1. This ordinance was adopted to promote local business activity which may result in increased jobs and increased revenues.
- 4.2 The ordinance grants a one percent (1%) preference to local vendors, but the total preference shall not exceed \$5,000.00. (1% of \$500,000 is \$5,000, the preference granted on a bid of \$600,000 will be limited to \$5,000.) **Preferences only apply to the procurement of material, equipment, supplies and services procured under Chapter 3-08 of the City Code. They do not apply to Public Works procured under Chapter 3-44 of the City Code or Professional Services procured under City Council Policy 0600-001.**
- 4.3 To qualify for the preference, local bidders must submit proof of the address of its principal place of business and a copy of their current City Business Tax Certificate.
- 4.4 The application of local preference is to **written** quotes, bids, and proposals only.
- 4.5 Local preference provisions shall not apply to bids that are conducted cooperatively with other public agencies.
- 4.6 Local preference provisions may be waived by the Purchasing Agent when the conditions of Federal, State or private grant monies prohibit or conflict.

5. PROCEDURES

- 5.1 The following general condition will be added to each written Request for Quotations, Invitation for Bids, or Request for Proposals for material, equipment, supplies or services (not public works or professional services). Prior to each bid being mailed, the buyer assigned will determine if the bid is cooperative in nature or uses Federal, State or local grant funds with conflicting grant restrictions. Where local preference is waived or not used, the buyer will generate a memorandum for the file which will be approved by the Purchasing Agent, stating why local preference was not used in a particular purchase. Upon approval of this memorandum, the general provision below, will not be included in a bid.

"LOCAL VENDOR PREFERENCE: A one percent (1%) preference shall be granted to local bidders. A local bidder is defined as a business entity with its principal place of business located within the city limits of the City of Santa Rosa. **To qualify for the preference, local bidders must submit proof of the address of its principal place of business and a copy of their current City Business Tax Certificate.** Proof of address is normally the address to which Purchase Orders or contracts and payments will be sent. Copies of current City Business Tax Certificate must be submitted with each bid for which a preference is claimed. The total amount of preference granted in a single bid shall not exceed \$5,000.00. Local preference only applies to the procurement of material, supplies, equipment, or services, and will not apply to bids conducted cooperatively with other public agencies nor when prohibited by the terms of a Federal, State or private grant of funds."

When this condition is included in a bid package, the following will be included on the cover sheet:

"LOCAL PREFERENCE CLAIMED YES NO

(See LOCAL VENDOR PREFERENCE in General Provisions and include a copy of your current City Business Tax Certificate.)

- 5.2 Upon opening quotes, bids or proposals in which a local preference has been claimed, "yes" or "no" (blank meaning no) will be entered in the LOCAL PREFERENCE line in the top section of the ABSTRACT OF BIDS/PROPOSALS/QUOTATIONS. The evaluating buyer, after verifying the principal place of business and Business Tax Certificate, will enter a credit equal to 1% of the total bid (excluding tax and delivery) in the line titled LOCAL PREF. \$. They will then calculate and enter the NET BID by subtracting the LOCAL PREF. \$ figure from the TOTAL AMOUNT.
- 5.3 When writing the award justification, the award will be based on the TOTAL AMOUNT, but any illustrations, attachments, and/or tables should show the LOCAL PREF. \$ and NET BID also.
- 5.4 The dollar amount of local preference granted in each winning award will be entered into the bid abstract spreadsheet, and reports will be sent periodically to the City Council summarizing LOCAL PREFERENCE impact.