

STAFF REPORT

City of Lancaster, California

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11/10/09
MVB

Date: November 10, 2009

To: Mayor Parris and City Council Members

From: Barbara Boswell, Finance Director

Subject: **Establishment of a Local Vendor Preference Policy**

Recommendation:

Approve establishment of an administrative policy that encourages and supports the procurement of goods and services from local businesses by establishing a procedure by which local businesses are given a preference in the procurement process.

Fiscal Impact:

None.

Summary:

Establishment of a local vendor preference policy will help support our local businesses. The policy will allow local businesses to submit a new quotation if they are within 5% of the lowest offer. This policy will not apply to formal bids, only to quotations and proposals below the bidding threshold and only for materials, equipment and services, excluding construction services.

A Local Vendor will be defined as a business that has its headquarters, distribution point or locally-owned franchise located in or having a street address within the City for at least six (6) months immediately prior to the issuance of the request for competitive offers by the Purchasing Agent, and holds a valid City of Lancaster business license. Any vendor claiming to be a local vendor as defined above will be required to certify this in their offer, in writing to the Purchasing Agent.

Any person or business falsely claiming to be a local vendor under this section will be ineligible to transact any business with the City for a period of not less than three (3) months and not more twenty-four (24) months, as determined by the Purchasing Agent. The Purchasing Agent will also have the right to terminate all or any part of any contract entered into with the person or business. Prior to the Purchasing Agent declaring any person or business not a local vendor, or ineligible to transact business with the City, the person or business will be entitled to appeal to the City Council per City of Lancaster Municipal Code Chapter 2.44 Uniform Appeal Procedure.

If the low price is not from a local vendor, any responsive local vendor who submitted a quotation which was within five percent (5%) of the lowest responsive offer as determined by the Purchasing Agent will have the option of submitting a new offer within forty-eight hours (not including weekends and holidays) of City's delivery of notification. These new offers must be in

an amount less than or equal to the lowest responsive offer as determined by the Purchasing Agent.

If the Purchasing Agent receives any new offers from local vendors who have the option of submitting new offers within the forty-eight hour period, the contract will be awarded to the local vendor submitting the lowest responsible offer. If no new offers are received, the contract will be awarded to the original low offeror as announced by the Purchasing Agent.

This policy will not apply to contracts required by state or federal statutes or regulations to be awarded to the lowest responsible bidder, or otherwise exempted from local preference.

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