

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: General Services Agency

BOARD AGENDA # \*B-5

Urgent

Routine

AGENDA DATE December 11, 2007

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Introduce and Waive the First Reading of an Ordinance Creating a Local Vendor Preference for Purchase of Services, Supplies, Materials and Equipment

STAFF RECOMMENDATIONS:

Introduce and waive the first reading of an ordinance to add to the Stanislaus County Code, Chapter 2.24.125, which creates a five percent (5%) local vendor preference for businesses located within Stanislaus County when competitively bidding on services, supplies, materials and equipment.

FISCAL IMPACT:

The fiscal impact of the recommended five percent (5%) local vendor preference will vary depending on the amount of each bid; however, as proposed in the ordinance, in no instance will it exceed \$5,000. The preference is expected to encourage local vendors to do business with the County, which will benefit by the local multiplier effect.

BOARD ACTION AS FOLLOWS:

No. 2007-954

On motion of Supervisor Monteith, Seconded by Supervisor DeMartini  
and approved by the following vote,

Ayes: Supervisors: Grover, Monteith, DeMartini, and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: Mayfield

Abstaining: Supervisor: None

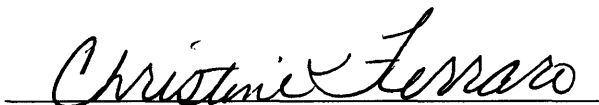
1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION: INTRODUCED AND WAIVED THE FIRST READING OF ORDINANCE C.S. 1021



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No. ORD-55-E-2

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**DISCUSSION:**

The establishment of a Local Vendor Preference (LVP) will encourage local business involvement in County purchasing processes. An LVP would be given to businesses that qualify as a percentage reduction on the amount of a bid. The proposed ordinance gives a five (5%) preference to businesses that have had a fixed office or distribution point located within the County of Stanislaus for at least one year. The five percent (5%) preference cannot exceed \$5,000. The LVP is proposed on qualifying services, supplies, materials and equipment.

Current County Code, section 2.24.120, includes a preference for domestic manufacture in compliance with Chapter 4, Division 5, Title 1 of the Government Code with respect to American-made and California-made materials. When the price and quality of the products or materials offered are equal, preference is given to County products. The addition of an LVP would further insure that local dollars stay local.

Several other public entities were surveyed, including Stanislaus County's eight County survey group and the City of Modesto. The chart below reflects LVP for those surveyed. The two most adjacent Counties, Merced and San Joaquin, offer the same preference as is being proposed.

Public Entity	Local Vendor Preference	Stipulations
City of Modesto	2%	Evaluation only.
Fresno County	5%	Local Vendor may rebid within 48 hours.
Kern County	5%	Local Vendor may rebid within 48 hours.
Merced County	5%	Preference cannot exceed \$5,000.
Monterey County	5%	Local Vendor may reduce bid to match lowest price. LVP area includes vendors from three surrounding counties.
Sacramento County	none	
San Joaquin County	5%	Preference cannot exceed \$5,000.
Solano County	none	
Sonoma County	none	
Tuolumne County	3%	

**Exclusions**

The California Attorney General and the California Supreme Court have opined that LVP programs are not allowed when a statute requires an award to the

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lowest responsible bidder, such as Public Works contracts. Also, the Little  
Brooks Act (Gov. Code § 4525 et seq.) encourages local agencies to adopt  
procedures to select certain design professionals (architects, engineers, etc.)  
based on qualifications without consideration of price differences.

**POLICY ISSUE:**

Approval of this item is consistent with the Board of Supervisors' priorities of a  
strong local economy and efficient delivery of public services.

**STAFFING IMPACT:**

There is no staffing impact associated with the approval of this request.

**AN ORDINANCE TO ESTABLISH LOCAL VENDOR PREFERENCE FOR PURCHASE OF SERVICES, SUPPLIES, MATERIALS AND EQUIPMENT**

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA, ORDAINS AS FOLLOWS:

**Section 1.** Section 2.24.125 is added to the Stanislaus County Code to read as follows:

“2.24.125 Local Vendor Preference.

“A. Whenever the Purchasing Agent purchases services, supplies, materials, and/or equipment for the County through the use of competitive process, including quotes, bids and proposals, a five percent (5%) preference shall be granted to local vendors for evaluation purposes.

“B. The Local Vendor Preference does not apply to bids conducted jointly with other public agencies, nor when prohibited by State or federal statutes or regulations that require award to the lowest responsible bidder, or otherwise exempted from local preferences.

“C. For the purposes of this Section, ‘local vendor’ means any business that meets all of the following criteria:

“1. The vendor has a fixed office or distribution point located within the County of Stanislaus for at least one year prior to the transaction for which preference is claimed by the vendor. Post Office Boxes do not qualify as a verifiable business address.

“2. The vendor has a current business license issued by the County or by a city within Stanislaus County.

“3. The vendor employs at least one full-time employee whose primary residence is located in Stanislaus County, or if the business has no employees, at least fifty percent (50%) of the business shall be owned by one or more persons whose primary residence is located in Stanislaus County.

“D. The Purchasing Agent will apply the following procedures and guidelines when implementing the Local Vendor Preference program.

“1. To qualify for the Local Vendor Preference, local vendors may pre-register with the Stanislaus County General Services Agency, Purchasing Division, or must submit with

each bid for which a preference is claimed documentary proof that the vendor meets the criteria established in subsection C of this Section. The Purchasing Agent shall not be required to verify the accuracy of any such certification and shall have sole discretion to determine if a vendor meets the definition of a local vendor or local business.

- "2. When bid submissions are evaluated, a five percent (5%) local preference shall be deducted from the total dollar amount bid by local vendors on competitive quotes and bids, and from the total evaluated aggregate score obtained by local vendors on proposals. The total amount of local preference granted in a single bid shall not exceed \$5,000 over a non-local vendor. The award shall be made at the full price of the quote, bid or proposal.
- "3. In the case of an absolute tie, an award will be made to the local vendor. In the case of a tie between local vendors, the award will be determined by lot."

**Section 2.** This ordinance shall take effect thirty (30) days from and after the date of its passage and before the expiration of fifteen (15) days after its passage it shall be published once, with the names of the members voting for and against the same, in the Modesto Bee, a newspaper published in the County of Stanislaus, State of California.

Upon motion of Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, the foregoing resolution was passed and adopted at a regular meeting of the Board of Supervisors of the County of Stanislaus, State of California, the \_\_\_\_\_ day of \_\_\_\_\_, 2007, by the following called vote:

AYES: Supervisors:

NOES: Supervisors:

ABSENT: Supervisors:

William O'Brien, Chair of the Board of Supervisors of the County of Stanislaus, State of California

ATTEST:  
Christine Ferraro Tallman  
Clerk of the Board of Supervisors of the  
County of Stanislaus, State of California

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
Michael H. Krausnick  
County Counsel

By  \_\_\_\_\_  
for John P. Doering  
Deputy County Counsel

TEAM 7185

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