

**RESOLUTION NO. 2018-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF MERCED, CALIFORNIA, ADOPTING A  
LOCAL BUSINESS PREFERENCE POLICY**

WHEREAS, the City Council of the City of Merced desires to find opportunities to support, stimulate, and boost the City of Merced's economy; and

WHEREAS, strategies that promote the use of local vendors and service providers help retain local dollars within the community and strengthen employment; and

WHEREAS, in order to promote employment and business opportunities for local businesses and give preference to Merced businesses and consultants; and

WHEREAS, a local business preference policy would give competitive preference to local industries and companies doing business with the City by requiring that when more than one business or service provider is considered and they are competitively matched in terms of other criteria, local service providers should be selected; and

WHEREAS, a local business preference policy would provide a 5% local preference for purposes of quantitative comparisons when comparing the prices offered by bidders; and

WHEREAS, Municipal Section Code 3.04.215 allows the City Council of the City of Merced to establish a Local Business Preference Policy by resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED  
DOES RESOLVE AS FOLLOWS:

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SECTION 1. That certain document entitled "Local Business Preference Policy," attached hereto as Exhibit "A," is hereby approved.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 2018, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:  
STEVE CARRIGAN, CITY CLERK

BY: \_\_\_\_\_  
Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

## **CITY OF MERCED LOCAL BUSINESS PREFERENCE POLICY**

The City of Merced recognizes that strategies that promote the use of local vendors and services providers help create a sustainable economy and preserve local businesses. The use of local businesses helps retain local dollars within the community and strengthen employment. It is the policy of the City to promote employment and business opportunities for local businesses on all contracts and give preference to Merced businesses and consultants to the extent consistent with the law and interests of the public.

### **Local Service Provider**

A Local Business is defined as a business or consultant who meets all the following qualifications:

1. Has a valid physical address located within Merced from which the vendor or consultant operates or performs business on a day-to-day-basis;
2. Has conducted business in Merced for at least six months prior to submittal of a qualifying bid; and
3. Holds a valid Merced business license for at least six months prior to submittal of a qualifying bid.

### **Preference Policy**

Departments shall consider the locality of consultants or businesses and their sub-consultants when selecting business for purchases or service contracts. If there is more than one business or service provider being considered and the providers are competitively matched in terms of other criteria, local service providers should be selected.

When comparing the prices offered by bidders, Local Businesses shall be given a 5% local preference for purposes of quantitative comparisons. Application of the local preference is for comparison purposes only when evaluating proposals and does not actually reduce the amount ultimately paid to the successful vendor. This policy applies in all cases when the City is soliciting proposals for products or services, except as noted below.

## **Exceptions to Local Preference Policy**

1. Services provided under a cooperative purchasing agreement.
2. Contracts which are funded in whole or in part by a governmental entity, and the laws, regulations or policies governing such funding prohibit application of a local preference.
3. Construction contracts or other contracts procured under authority which requires award to the lowest responsible bidder without an exception for a local preference criterion or which otherwise does not allow consideration of a local preference criterion.
4. Contracts procured under emergency situations.
5. Purchases not made through competitive bidding, pursuant to Section \_\_\_\_\_ of the Merced Municipal Code.
6. When the City Manager determines that application of this policy would hinder the operational effectiveness or public benefit of the City.

## **Quality and Fitness**

The preference established in this policy shall in no way be construed to inhibit, limit or restrict the right and obligation of the City to compare quality and fitness for use of services proposed for purchase and compare the qualifications, character, responsibility and fitness of all persons, firms, or corporations submitting bids or proposals. Nor shall the preference established in this policy be construed to prohibit the right of the City from giving any other preference permitted by law.

## **Other Criteria**

Where the City will be paying sales tax on the purchase, the local business must possess a valid resale license from the State Board of Equalization showing evidence of a City of Merced address. The payment of the local share of the sales tax must go to the City of Merced.

The local business must not be in default or delinquent on any fee, tax or charge owed to the City of Merced or the County of Merced.

### **Verification of Local Business Preference Eligibility**

Any vendor or consultant claiming to be a local business shall provide a signed declaration when submitting their bid. The City shall verify the accuracy of the declaration and shall have sole discretion to determine if a consultant meets the definition of “Local Business.”

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