



City of Long Beach
Working Together to Serve

ATTACHMENT 1
Memorandum

UB-8

Date: May 10, 2005
To: Honorable Mayor and City Council
From: Councilwoman Laura Richardson, Sixth District *L Richardson*
Subject: AGENDA ITEM REQUEST – STATUS: LOCAL BUSINESS PREFERENCES AND ONE-STOP WEB SITE

In recent years, there has been much concern expressed among Council members, the public and the business community regarding policies aimed at making the City of Long Beach more business friendly, encouraging growth, expansion and opportunities for Long Beach based businesses. Methods for addressing these concerns have taken many forms including City policy for local business preferences and the development of a one-stop web site designed to assist businesses in responding to and preparing RFP's and RFQ's.

I am requesting that the City Manager report to the Council on the success or failure of these efforts. I am particularly interested in being appraised of the statistics in relation to "local preferences" that have been utilized versus projections, further, it would be helpful to understand the potential financial impact if additional percentages are applied other than originally proposed schedule. Finally, status of the proposed one-stop web site for RFP and RFQ inventory is needed.

CLR/TL
agenitemreq_buspref

cc: City Attorney
City Manager



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

July 13, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Ordinance to Adopt a Local Preference Program (Citywide)

DISCUSSION

On November 5, 2002, Long Beach voters passed Ballot Measure U that amended City Charter Section 1803 to address the City's local preference as it is applied to the issuance of City contracts. The change now enables the City Council to set the nature and amount of the local preference by ordinance.

On April 6, 2004, a recommended Local Preference Program was presented to the City Council (see attachment). The City Council approved the recommended program and requested the City Attorney prepare an ordinance, including the guidelines outlined in the April 6, 2004 City Council letter. Pursuant to the request approved on April 6, 2004, the subject Ordinance has been prepared for consideration and adoption.

TIMING CONSIDERATIONS

City Council action on July 13, 2004 will allow for implementation of voter-approved initiative Measure U.

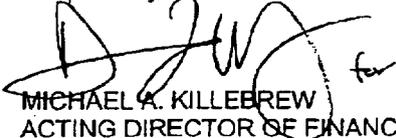
FISCAL IMPACT

Based on FY 03 purchases, it is estimated that applying a 2 percent up to a 5 percent preference to all purchases for equipment, material, supplies and non-professional services, with a contract ceiling of \$100,000, could result in additional costs to the City in all funds ranging from \$14,042 to \$70,209 annually.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Declare the Ordinance read, adopted as read, and laid over to the next meeting of the City Council for final reading.

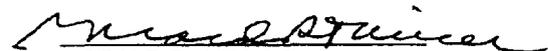
Respectfully submitted,


MICHAEL A. KILLEBREW
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

MAK:ADon
Local Preference Program Council/Ltr

Attachment

APPROVED:


GERALD R. MILLER
CITY MANAGER

ACCOUNTING
(562) 570-4988
Fax (562) 570-4780

ADMINISTRATIVE SERVICES
(562) 570-8045
Fax (562) 570-4780

BUDGET MANAGEMENT
(562) 570-4425
Fax (562) 570-5260

CITY CONTROLLER
(562) 570-4456
Fax (562) 570-4780

CITY TREASURER
(562) 570-4845
Fax (562) 570-5836

COMMERCIAL SERVICES
(562) 570-7031
Fax (562) 570-4867



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

April 6, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: City of Long Beach Local Preference Program (Citywide)

DISCUSSION

On November 5, 2002, Long Beach voters passed Ballot Measure U that changed Charter Section 1803 to address the City's local preference as it is applied to the issuance of City contracts. The change now enables the City Council to set the nature and amount of the local preference by ordinance.

The Purchasing Division of the Department of Financial Management administers the local preference program. In general, a local preference is applied when a bid for materials, equipment, supplies or non-professional services is opened. The bid analysis, assuming all other factors are considered equal, incorporates the local preference for the lowest responsible bidder who maintains a business located within the city.

The attached report, submitted by memorandum to the City Council on May 1, 2003, provides a detailed review of the former procedures, a survey of local preferences for other California cities, the economic impacts of implementing a local preference, and a legal review of applicability and issues to consider in implementing a local preference program. The Long Beach Chamber of Commerce, Long Beach Black Chamber of Commerce and Economic Development Commission supported the recommendations identified in the report.

City staff and Chamber of Commerce representatives met in March 2004 to review the recommendations made to the City Council and have agreed to certain modifications to the program. The modifications take into consideration the economic challenges the City is currently facing while still recognizing the need to continue to support Long Beach businesses. As a result, staff recommends the following guidelines in establishing a Local Preference Program:

ACCOUNTING
(562) 570-4998
Fax: (562) 570-4780

ADMINISTRATIVE SERVICES
(562) 570-5645
Fax: (562) 570-4780

BUDGET MANAGEMENT
(562) 570-4425
Fax: (562) 570-5240

CITY CONTROLLER
(562) 570-4190
Fax: (562) 570-4790

CITY TREASURER
(562) 570-4845
Fax: (562) 570-5034

COMMERCIAL SERVICES
(562) 570-7001
Fax: (562) 570-4867

- Establish a 2 percent preference at implementation date applicable to all purchases of materials, equipment, supplies and non-professional services and increase it by one percentage each year until it reaches 5 percent in 2007.
- Establish a contract ceiling of \$100,000 on the purchase amount upon which the preference is applied. This ceiling supports the City Attorney's recommendation to minimize any "substantial" impact or effect on the market for any goods or services. It also enables City staff to monitor the financial impacts and make adjustments and recommendations after each year of applicability.
- Establish a policy that requires all businesses located within the city boundaries to file a Seller's Permit (Sales Tax permit) with their Long Beach address in order to qualify for the local preference.
- Review the applicability of the local preference to construction projects in relation to the "Green Book" standards for Public Works construction currently used by the City. These are strict rules on the methods of awarding contracts to the lowest responsible construction bidder. Upon a review and development of procedures, recommendations will be brought to the City Council by the first year's annual review of the local preference program.
- Do not apply the local preference to Technology and Library purchases due to these purchases being governed by Charter Sections 1801 and 1807.
- As advised by the City Attorney and included in the ballot language, do not apply the local preference to purchases funded by Tidelands funds, Grant funds, and State of California revenues.
- Establish an annual review process on the applicability and impact of the local preference that enables the City Council to review and make adjustments to the program as necessary.
- Request the City Attorney to prepare the required ordinance to make the findings necessary to implement a local preference program.
- Require that City departments support the above provisions and support the City's "Buy Long Beach" campaign as part of its Diversity Outreach Program.

To ensure public input on the above recommendations is thoroughly obtained, staff recommends that this matter be referred to the Economic Development and Finance Committee for further review and discussion.

HONORABLE MAYOR AND CITY COUNCIL
April 6, 2004
Page 3

This matter was reviewed by Deputy City Attorney Donna F. Gwin on March 15, 2004 and by Budget Manager Michael Killebrew on March 18, 2004.

TIMING CONSIDERATIONS

City Council action on this item is not time critical.

FISCAL IMPACT

Based on FY 03 purchases, it is estimated that applying a 2 percent up to a 5 percent preference to all purchases for equipment materials, supplies and non-professional services with a contract ceiling of \$100,000 could result in additional costs to the City ranging from \$14,042 to \$70,209 annually.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Refer this item to the Economic Development and Finance Committee for review and recommendations to the City Council.

Respectfully submitted,



ROBERT S. TORREZ
DIRECTOR OF FINANCIAL MANAGEMENT

RST:DCG:deg

Attachment

APPROVED:



GERALD R. MILLER
CITY MANAGER

ORDINANCE NO. C-7938

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH AMENDING THE LONG BEACH
MUNICIPAL CODE BY ADDING SECTION 2.84.030
RELATING TO LOCAL PREFERENCE

The City Council of the City of Long Beach ordains as follows:

Section 1. Section 2.84.030 is hereby added to the Long Beach
Municipal Code to read:

2.84.030 Local Preference

A. This ordinance implements Section 1803 of the City Charter and is based on findings that the amount of local preference described in this ordinance for local businesses is in the public interest and is necessary to ease disadvantages suffered by local businesses due to the higher costs of doing business in the City of Long Beach.

B. A bid for furnishing materials, equipment, supplies and non-professional services pursuant to Section 2.84.010 relating to the authority of the City's Purchasing Agent to make purchases for City departments reporting to the City Manager shall be reduced by the amounts described below in making a determination whether or not the bidder is the lowest responsible bidder, if the bidder meets the following criteria:

1. Has a current, valid business license from the City of Long Beach showing a place of business within the City limits; and
2. Has a current, valid seller's permit (also known as a sales tax permit) showing a place of business within the City limits.

C. On enactment of this ordinance and until the beginning of

Robert E. Sitannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

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333 West Ocean Boulevard
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Telephone (562) 570-2200

1 the City's fiscal year 2004-2005, a bid from a bidder meeting the criteria
2 described in sub-section B above shall be reduced by two percent. During
3 the City's fiscal year 2004-2005, a bid from a bidder meeting these criteria
4 shall be reduced by three percent. During the City's fiscal year
5 2005-2006, a bid from a bidder meeting these criteria shall be reduced by
6 four percent. During the City's fiscal year 2006-2007 and each fiscal year
7 thereafter, a bid from a bidder meeting these criteria shall be reduced by
8 five percent.

9 D. This Section shall not apply to bids for purchases made by
10 the Director of Library Services pursuant to Section 1801 of the City
11 Charter or to purchases made pursuant to Section 1807 of the City
12 Charter. This Section shall also not apply to bids for purchases funded by
13 any Tidelands fund, by any grant funds, and by any funds received from
14 the State of California. This Section shall not apply to bids for public
15 works, as that term is defined in Section 1720(a) of the California Labor
16 Code.

17 Sec. 2. The City Clerk shall certify to the passage of this ordinance
18 by the City Council and cause it to be posted in three conspicuous places in the City of
19 Long Beach, and it shall take effect on the thirty-first day after it is approved by the
20 Mayor.

21 I hereby certify that the foregoing ordinance was adopted by the City
22 Council of the City of Long Beach at its meeting on July 20, 2004, by

23 ///
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City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
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the following vote:

Ayes: Councilmembers: Lowenthal, Baker, Colonna,
O'Donnell, Kell, Reyes Uranga,
Gabelich, Lerch.

Noes: Councilmembers: None.

Absent: Councilmembers: Richardson.

D. J. Heron
City Clerk

Benjamin M. Neel
Mayor

Approved: 7-22-04
(Date)

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Tuesday, June 7, 2005

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[Homepage](#) > [business](#)

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- [guide to government](#)
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week in review
- [about our city](#)
long beach info

Guide for Business

The [Long Beach Business Development Center](#) ensures that every business in the City has a successful business.

[Site Location Assistance](#)

[Obtaining Your Business License](#)

[Business License Taxes and Fees](#)

[Film Long Beach](#)

Resources



[Vendor Information and Contracting Opportunities](#)

[HANDBOOK: Operating Your Business in Long Beach](#)

[Long Beach Chamber of Commerce](#)

[Long Beach's Top 25 Employers](#)

[Disadvantaged Community Assistance Division](#) (formerly known as Diveristy Outreach)

Workforce Development

[Home Page](#)

[Services for Business](#)

[Youth Opportunities](#)

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City of Long Beach, 333 W. Ocean Blvd, Long Beach, CA 90802 Tel: (562) 570-6555

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longbeach



jobs

Tuesday, June 7, 2005

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[Homepage](#) > ... > [Financial Management](#) > [Purchasing Division](#) > Home Page

- Homepage
- Bidder Registration
- Bids
- RFPs/RFQs/RFIs
- Doing Business with Us
- Commonly Made Errors
- Upcoming Purchases
- Bid Results
- Directions to City Hall
- Links

Welcome to the Purchasing Division!

Bid and Bidder Management System

All bidders are required to add their company to the bidder database in order to download a bid or RFP. Registered bidders will receive email notifications of bids and proposal opportunities in their area of interest. Interested bidders are still encouraged to visit our web site on a regular basis. [Add yourself to the City's bidder database.](#)

There is a time limit of 30 minutes to complete the registration process; we suggest that you select one commodity code during the initial registration. After registering, return to the database and add additional codes you might be interested in (there is a limit of 20). If you would prefer to review the codes prior to registration, link to a pdf file that includes all the [Commodity Codes as listed on BidsOnLine™](#)

Department Contacts

Purchases that do not exceed \$10,000 annually are handled at the department level without going through the Purchasing Division. Use this list to contact individual departments regarding the equipment, materials, supplies or services that you offer.

Buyer Assignments by Commodity Code

List of buyer assignments by commodity code; includes a link to buyer's email.

Insurance Requirements

When a contractor does work on City property requires insurance.

W-9 Form

All vendors that have received a purchase order from the City of Long Beach are now required to have a file with the Dept of Financial Management.

General Conditions

ANNOUNCE

Local Preference
The City of Long Beach to announce the implementation of a Local Preference aimed at keeping Local dollars in Long Beach more

[Archives...](#)

EVEN

Tue., Jun 7, 2005
5:00 PM - 10:00 PM
[Council Meeting](#)

Wed., Jun 8, 2005
8:00 AM
[Civil Service Com Meeting](#)
6:00 PM - 8:00 PM
[Neighborhood Re Summer Potluck](#)

General conditions attached to every purchase order issued by the City.

Community Development/Disadvantaged Community Assistance Division

Our Mission

To provide City departments with quality and cost-effective products and services at a fair, competitive price in a timely manner.

333 W Ocean Blvd/Plaza Level, Long Beach CA 90802
Phone: 562.570.6361 ~ Procurement Hotline: 562.570.6361 Ext 7
problems with this site should be directed to
pechamb@longbeach.gov

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City of Long Beach, 333 W. Ocean Blvd, Long Beach, CA 90802 Tel: (562) 570-6555

Power



ANNOUNCEMENT

*The City of Long Beach Purchasing Division
cordially invites you to be our guest at a...*

Business Opportunities "Open House"

Thursday – March 24, 2005

3:30 – 4:30 pm – *Market Your Business to City Departments*

4:30 – 6:00 pm – *Doing Business With the City of Long Beach Workshop*

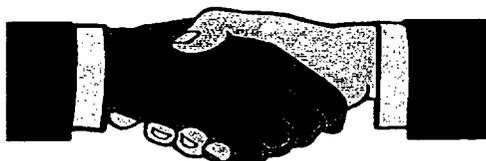
**Main Library Auditorium
101 Pacific Avenue, Long Beach**

Each of the City's 22 departments will have a representative available to meet with you at our ***Procurement Pavilion*** between 3:30 and 4:30 p.m. Then you will be invited to join representatives from our Purchasing Division in an informative workshop where the following topics will be discussed:

- Registering as a City Bidder
- Understanding the Bid Process
- Review of Informal and Formal Bids
- Exploring the City's Website
- Insurance and Bond Requirements

This event is free. We hope to see you there!

**DEPARTMENT OF FINANCIAL MANAGEMENT
Purchasing Division
(562) 570-6362**



Postcard mailing

CITY OF LONG BEACH



ATTENTION LONG BEACH BUSINESSES:

The City is actively seeking local Long Beach vendors interested in providing products and services to the City. You are encouraged to register in the bidders database to receive automatic e-mail notifications for selected bid opportunities based on your company's product or service categories.

Call the
"Procurement Hotline"
at (562) 570-6361 for
current bid opportunities
updated weekly

**TO REGISTER, PLEASE VISIT OUR WEB
PAGE AT:**
www.lbpurchasing.org
You will also find additional information on the Local
Preference Program and upcoming events.

CITY OF LONG BEACH



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**CSULB OPPORTUNITIES 2005
AGENDA**

- 9:00 *Welcome*
- 9:10 *The Economic Impact of the CSU on Local Region*
Joseph P. Magaddino, Chair, Economics
CSULB College of Liberal Studies
- 9:35 *Leverage Your Vendor Relationships*
Eddie Choy, Lead Policy Analyst, Contract Services & Procurement
California State University Office of the Chancellor
- Iris Ching, Small Business Outreach
 Procurement Division, Department of General Services
- Jana Lichtenberger, Buyer
 Long Beach City College
- Jana Vandenburg-Vargas, Purchasing Division Manager
 City of Long Beach
- 10:15 *On-Line Vendor Registration at the CSU*
Arpie Zavian, CTO/Co-Founder, PlanetBids.com
- 10:45 *Break*
- 11:00 *Breakout Sessions*

CONSTRUCTION	COMMODITIES & SERVICES
CSULB: Elizabeth Beall, Purchasing Manager Susan Brown, Director, Physical Planning Barney Wright, Asst. Director, Housing CSU Prequalification Of Bidders Barbara Nicholson, Analyst Office of the Chancellor CSU Small Business Advocates Haaziq Muhammad Office of the Chancellor CSU Sister Campuses QUESTION AND ANSWERS	CSULB: Susan Holt, Buyer III Terri Telasky, Buyer III Mary Pearson, Buyer, Facilities CSU System Contracts CSU Recycled Product Program Eddie Choy Office of the Chancellor Carol Umfleet, CMAS Program Manager Department of General Services CSU Sister Campuses QUESTIONS & ANSWERS

- 12:15 - 1:30 **LUNCHEON**
- 1:30 - 3:00 **NETWORKING with Procurement Officers**

CITY OF LONG BEACH
COMMUNITY DEVELOPMENT DEPARTMENT
DISADVANTAGED COMMUNITY ASSISTANCE DIVISION



Diversity Outreach Networking Session

"If you are interested in:

1. Networking with the City of Long Beach staff, small businesses, major corporations and other public agencies
2. Listening to an informative keynote address
3. Publicly marketing your business

you can't miss this important and free event!!!"

WHEN: Tuesday, June 7, 2005 (bi-monthly)
9:00 a.m. – 10:30 a.m.

WHERE: Union Bank of California
1900 Atlantic Avenue
Long Beach, CA 90806

RSVP: Please RSVP to Jesse B. Johnson, Jr.,
Diversity Outreach Officer (562) 570-6462
or jesse_johnson@longbeach.gov
by June 6, 2005.

"It makes good sense to do business with and hire from our diverse community."

See our website at www.longbeach.gov/diversity/ for more details.

LOCAL PREFERENCE BENCHMARK STUDY

AGENCY NAME	LOCAL PREFERENCE	PERCENT	NOTES	SMALL BUSINESS PREFERENCE
Alameda	YES	5		YES (5)
Alameda County Water District	NO			
Anaheim	YES	1		
Antioch	NO			NO
Arcadia	NO			
Brea	YES	1		NO
Buena Park	YES	1		
Burbank	YES	1		
Butte	YES	5		NO
Chula Vista	YES	1	sales tax offset	
City College of San Francisco	YES	5		YES (5)
Concord	YES	1	sales tax offset	NO
Contra Costa County General Services	NO			
Corona Department of Water & Power	YES	1	material supplies equipment	NO
Costa Mesa	YES	5		NO
Daly City	YES	1		
Downey	YES	3		
East Bay Municipal Utility District	NO			YES (5)
Eastern Municipal Water District	NO			
El Cajon	YES	1	sales tax offset	NO
El Dorado Irrigation District	NO			NO
Fullerton	YES	1		
Garden Grove	YES	1		
Humboldt	NO			
Kern County	YES	5	must match lowest price	NO
Inland Empire Utilities Agency	NO			NO
Irvine	NO			
Lake	YES	5	not to exceed \$5,000	
Lakewood	NO			
Lancaster	YES	1		NO
Lassen	NO			
Lodi	YES	1	sales tax offset	
Lompoc	YES	1		
Los Angeles County	YES	5		
Los Angeles	YES	10		YES (10)
Los Angeles Dept. of Water & Power	NO			
Mendocino	NO			
Merced	YES	5	not to exceed \$5,000	
Milpitas	NO			
Modesto	NO			
Modesto Irrigation District	NO			
Moorpark	YES	1	sales tax offset	
Moreno Valley	NO			NO
Mountain View	NO			
National City	YES	1	sales tax offset, applied to sealed bids only	NO
Norwalk	YES	2		
Oakland	YES	5		
Oceanside	NO			
Ontario	YES	1	sales tax offset	
Orange	NO			
Orange	YES	1		NO
Pomona	YES	1		

Porterville	NO		Local Preference proposed	
Rancho Cucamonga	NO			
Redding	YES	1	sales tax offset	
Riverside	YES	5		
Riverside County Dept. of Public Social Services	YES	5		
Rohnert Park	YES	1		
Sacramento	YES	5	micro business in local counties	
San Bernardino Municipal Water Department	YES	1		
San Buenaventura	NO			NO
San Diego	YES	1		
San Diego	YES	1	sales tax offset	NO
San Diego Unified Port District	NO			
San Francisco	YES	5	if local & economically DBE	
San Joaquin	YES	5		
San Leandro	YES	5	on orders NTE 25,000	NO
San Luis Obispo	YES	5		
San Mateo	NO			
San Mateo County Transit District	NO			
Santa Barbara	NO			
Santa Clara	YES	5	commodities	
Santa Clarita	YES	5	must match lowest price	NO
Santa Fe Springs	YES	5		
Santa Rosa	YES	5		
Santee	NO			
Shasta	YES	5		NO
Simi Valley	YES	1	sales tax offset	
Solano	NO			
South Coast Area Transit	NO			
South Lake Tahoe	YES	1	sales tax offset	NO
South Lake Tahoe Public Utility District	YES	1		NO
Stanislaus	NO			
Stockton	NO			NO
Temecula	YES	1		
Thousand Oaks	YES	1	sales tax offset	
Trinity	YES	5		
Tulare	YES	5		
Turlock	YES	1	NTE \$1,000	NO
Turlock Irrigation District	NO			
Ventura	NO			
West Covina	YES	1	sales tax offset	
Yuba City	NO			