



ROBERT E. SHANNON City Attorney

HEATHER A. MAHOOD Chief Assistant City Attorney

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June 23, 2009

## HONORABLE MAYOR AND CITY COUNCIL City of Long Beach California

## **RECOMMENDATION:**

Recommendation to declare ordinance amending the Long Beach Municipal Code by amending Section 2.84.030 relating to local preference read the first time and laid over to the next regular meeting of the City Council for final reading.

## **DISCUSSION:**

Pursuant to your request on June 2, 2009, this ordinance has been prepared and is submitted for your consideration.

## SUGGESTED ACTION:

Approve recommendation.

Very truly yours,

ROBERT E. SHANNON, City Attorney

By

Amy/R. Burton Deputy City Attorney

ARB:bg A09-01685 L:Apps\CtyLawG21\/\FDicsUDW2R @3:00 BroderaDDCleventh Floor, Long Beach, California 90802-4664 (562) 570-2200 Fax (562) 436-1579 Workers' Compensation Eighth Floor (562) 570-2245 Fax (562) 570-2220

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2.84.030 Local preference.

A. This <u>sSection</u> implements <u>sSection</u> 1803 of the <u>eCity</u> <u>eCharter</u> and is based on findings that the amount of local preference described in this <u>sSection</u> 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 <u>eCity</u> of Long Beach.

REDLINE

B. A bid for furnishing materials, equipment, supplies and nonprofessional
services pursuant to sSection 2.84.010 relating to the authority of the eCity's pPurchasing
aAgent to make purchases for eCity departments reporting to the eCity mManager shall
be reduced by the amount 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  $e\underline{C}$  ity of Long Beach showing a place of business within the  $e\underline{C}$  ity limits; and

15 2. Has a current, valid seller's permit (also known as a sales tax permit)
16 showing a place of business within the e<u>C</u>ity limits.

17 C. A bid from a bidder meeting the criteria described in sSubsection B of
18 this sSection shall be reduced by fiveten percent (510%). The maximum preference a
19 bidder may be awarded pursuant to this Section and any other provision of law shall be
20 ten percent (10%). However, in no case shall the maximum preference cost under this
21 Section exceed ten thousand dollars (\$10,000) for any bid.

D. This Section shall not apply to bids for purchases made by the
dDirector of lLibrary sServices pursuant to sSection 1801 of the eCity eCharter or to
purchases made pursuant to sSection 1807 of the eCity eCharter. This sSection shall
also not apply to bids for purchases funded by any tidelands fund, by any grant funds,
and by any funds received from the state of California. This sSection shall not apply to
bids for public works, as that term is defined in section 170220(a) of the California Labor
Code.

1	ORDINANCE NO.
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3	AN ORDINANCE OF THE CITY COUNCIL OF THE
4	CITY OF LONG BEACH AMENDING THE LONG BEACH
5	MUNICIPAL CODE BY AMENDING SECTION 2.84.030
6	RELATING TO LOCAL PREFERENCE
7	
8	WHEREAS, the City of Long Beach annually spends significant amounts on
9	purchasing supplies, materials, equipment and nonprofessional services; and
10	WHEREAS, the funds used for these purchases are derived in part from
11	taxes and fees from local businesses; and
12	WHEREAS, the cost of operating a business in Long Beach has been
13	shown to be higher due to higher labor and rent costs, among other things; and
14	WHEREAS, the City Council finds and determines that it is in the best
15	interests of the City of Long Beach to retain such funds by giving a preference to local
16	businesses in making such purchases whenever the application of such a preference is
17	reasonable; and
18	WHEREAS, the City Council finds and determines that strengthening local
19	economic activity and employment helps foster and maintain a vital economic future for
20	the City of Long Beach; and
21	WHEREAS, the City Council hereby finds and determines that action is
22	necessary to reduce the competitive disadvantage to local businesses, and to preserve
23	and retain local businesses that serve Long Beach;
24	NOW, THEREFORE, the City Council of the City of Long Beach ordains as
25	follows:
26	
27	Section 1. Section 2.84.030 of the Long Beach Municipal Code is
28	amended to read as follows:
	1 ARB:bg A09-01685 L:\Apps\CtyLaw32\WPDocs\D003\P010\00169528.DOC

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2.84.030 Local preference.

This Section implements Section 1803 of the City Charter and Α. is based on findings that the amount of local preference described in this Section 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.

Β. A bid for furnishing materials, equipment, supplies and nonprofessional 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 amount 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.

С. A bid from a bidder meeting the criteria described in Subsection B of this Section shall be reduced by ten percent (10%). The maximum preference a bidder may be awarded pursuant to this Section and any other provision of law shall be ten percent (10%). However, in no case shall the maximum preference cost under this Section exceed ten thousand dollars (\$10,000) for any bid.

D. This Section shall not apply to bids for purchases made by the Director of Library Services pursuant to section 1801 of the City Charter or to purchases made pursuant to Section 1807 of the City Charter. This Section shall also not apply to bids for purchases funded by any tidelands fund, by any grant funds, and by any funds received from the state of California. This Section shall not apply to bids for public works, as that term

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is defined in Section 1720(a) of the California Labor Code. 1 2 3 Section 2. The City Clerk shall certify to the passage of this ordinance by the City Council and cause it to be posted in three (3) conspicuous places in the City of 4 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the 5 6 Mayor. 7 I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 20\_, by the 8 9 following vote: 10 11 Ayes: Councilmembers: 12 13 14 Councilmembers: 15 Noes: 16 17 Absent: Councilmembers: 18 19 20 21 **City Clerk** 22 23 Approved: \_\_\_\_ 24 (Date) Mayor 25 26 27 28 3 ARB:bg A09-01685 L:\Apps\CtyLaw32\WPDocs\D003\P010\00169528.DOC

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