

# Local Preference

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# Current Local Preference

- Ordinance approved in 1993, 1% (current local preference only applies to the procurement of goods and general services)
- Limited to a maximum of \$5,000
- To qualify, bidders must submit proof their principal place of business is located within the City limits, and a copy of their City business tax certificate
- Public works and Professional Services contracts not included
- Adopted to promote local business activity
- Based on 1% sales tax return

# Advantages and Challenges

## Advantages:

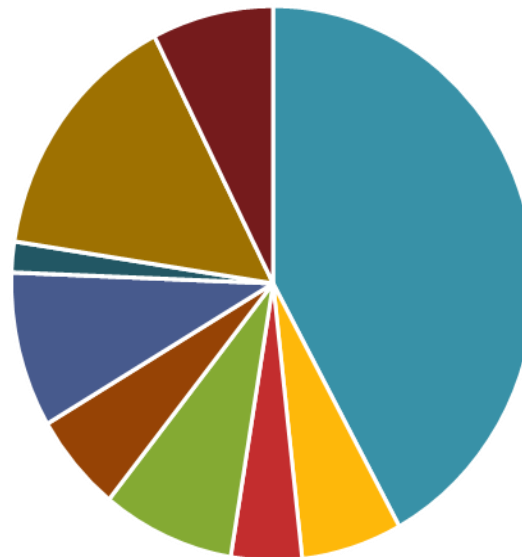
- Support Local Economy.
- Meet Potential Agency Policy Goals.
- Potential Increase in Tax Revenue.
- Local preference may encourage local businesses to be more competitive.

## Challenges:

- Increase in Cost: Agency may experience increased costs, higher prices for goods and services.
- Reduced Competition: Limiting competition by discouraging non-local businesses from bidding and reducing competition.
- Potential Favoritism: May create a perception of favoritism, lack of equal opportunity, or reciprocity with other jurisdictions.
- Lower Quality: May compromise highest quality goods and services if non-local bidders offer better value.

# Current Registered Vendors

Number of Local Vendors Registered 470 (6%) of 8,705 Vendors



- Classifications Not Applicable
- Disadvantaged Business Enterprise
- Federal SBA Small Disadvantaged
- Local
- Local Preference
- Minority-Owned Business Enterprise
- Prequalified Vendors
- Registered DIR Public Works Contractor

# Local Vendor Bid History

- Since December 2013, a total of 838 bid awards were made with a total value of \$84,753,199.58. Of the 838 bids awarded, 162 bids were awarded to local vendors at a value of \$22,719,146.20 (26.81%).

Classification	Awards	Award Amount	Percent
Local	162	\$22,719,146.20	26.81
DBE	18	\$1,833,278.32	2.16
CADIR	145	\$19,114,195.19	22.55
SRL	94	\$5,850,230.12	6.90
None	311	\$28,380,062.02	33.49
PQual	17	\$784,799.51	0.93
FSD	37	\$1,777,772.22	2.10
MBE	27	\$3,223,942.26	3.80
WBE	27	\$1,069,773.74	1.26
Overall	838	\$84,753,199.58	100

# Comparative Agency Policy

- **Name of Agency**      **%Preference**

City of Alameda	5%
City of Bakersfield	3%
City of Redding	5%
City of Mountain View	0%
City of Roseville	0%
City of Rohnert Park	0%
City of Sacramento	5%
City of San Leandro	10%
City of Santa Clarita	0%
City of La Mesa	0%
City of Berkeley	5%
City of Napa	3%
City of Camarillo	0
City of Hayward	0
City of Corona	0
City of Carlsbad	1%
City of Santa Rosa	1%

# Questions and Comments?