

ORDINANCE NO. 2506
(Codified)

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHICO AMENDING SECTIONS
3.16.060, 3.20.060, AND THE ADDITION OF SECTION 3.16.070 TO THE CHICO
MUNICIPAL CODE

BE IT ORDAINED by the Council of the City of Chico as follows:

That section 3.16.060 of the Chico Municipal Code is amended to read as follows:

3.16.060 Award of purchase orders.

Purchase orders shall be awarded by the purchasing officer to the person submitting the lowest responsible quotations, except as follows:

A. If two or more quotations are received for the same total amount or unit price, quality and service being equal, and, further, if in the sole discretion of the purchasing officer, the public interest will not permit the delay of inviting new quotations, then the purchasing officer may choose one or accept the lowest quotation made by negotiation with the persons submitting the tie quotations; and

B. Sellers, vendors, suppliers, and contractors of supplies and equipment who maintain places of business located within the limits of the city shall be given preference if quality, price, and service are equal in accordance with Chico Municipal Code Section 3.16.070.

That section 3.20.060 of the Chico Municipal Code is amended to read as follows:

3.20.060 Award of contract.

Contracts shall be awarded by the purchasing officer to the lowest responsible bidder except as follows:

A. If two or more bids received are for the same total amount or unit price, quality and service being equal, and further, if in the sole discretion of the purchasing officer the public interest will not permit the delay of re-advertising for bids, then the purchasing officer may accept the lowest bid made by negotiation with the tie bidders following the bid opening; and

1 B. Sellers, vendors, suppliers, and contractors of supplies and equipment who maintain
2 places of business located within the limits of the city shall be given preference if quality,
3 price, and service are equal in accordance with Chico Municipal Code Section 3.16.070.

4 That section 3.16.070 is added to the Chico Municipal Code to read as follows:

5 **3.16.070 Local Vendor Purchasing Preference Policy**

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7 A. Statement of policy and granting of preference.

8 In order to promote the economic health of the city and to encourage local participation in
9 the procurement of goods, supplies, equipment and services by the city, preference shall be
10 granted to each responsible local vendor by an amount equal to five percent (5%) of the
11 total price bid by each of the responsible local vendors.

12 A bid or proposal from a local vendor for goods, supplies, equipment or services will be
13 tabulated as if it were five percent (5%) below the total figure actually set forth in the bid
14 or proposal. The local vendor preference shall not cumulatively be greater than \$50,000.

15 B. Definition and verification of local vendor.

16
17 1. Local vendor means and refers to a seller, supplier, contractor of supplies and equipment or
18 a service provider that:

- 19 a) Has a "fixed place of business" within the city limits. "Fixed place of business" shall
20 mean premises occupied for the particular purpose of conducting a business therein and
21 regularly kept open during normal business hours with a competent person in
22 attendance for the purpose of attending to such business;
- 23 b) Has a current business license issued by the city;
- 24 c) Has paid all business assessments and fees imposed by the city; and
- 25 d) Began doing business within the city at least one year prior to the date the city invites
26 bids or quotations for the relevant purchase to which the local vendor is responding.

27 2. Responsible local vendor means a local vendor who:

- 28 a) Is not barred from government contracts for prior misconduct;

- 1 b) Has not engaged in conduct that would be considered non-responsible under the
- 2 bidding provisions of the California Public Contract Code and the authorities
- 3 interpreting that code;
- 4 c) Has not had performance issues with prior contracts or is not in active litigation with
- 5 the city;
- 6 d) Has the necessary materials, personnel and equipment to perform the work or services
- 7 at issue; and
- 8 e) Complies with all city bid procedures.

9 3. Verification of local vendor. Any vendor claiming to be a local vendor shall so certify in
10 the bid or proposal. The City Manager shall have the final discretion to determine if
11 a vendor meets the definition of local vendor set forth above.

12 C. Exceptions to local vendor preference policy. Notwithstanding anything to the contrary stated
13 in this section, the local vendor preference granted by this section shall not apply to the
14 following purchases or contracts:

- 15 1. Professional services;
- 16 2. Procurement of goods, supplies, equipment or services with an estimated cost of five
17 thousand (\$5,000.00) dollars or less;
- 18 3. Emergency purchases as defined in the California Public Contract Code or local ordinance;
- 19 4. Sole source purchases made by the city;
- 20 5. Procurement of goods, supplies, equipment or services which are funded in whole or in
21 part by a governmental entity and the laws, regulations, and policies governing such
22 funding prohibit application of a local preference;
- 23 6. Where no bids have been received by the city following bid announcements;
- 24 7. Procurement of goods, supplies, equipment or services with an estimated cost of one
25 million (\$1,000,000.00) dollars or greater; and
- 26 8. In addition, in its sole discretion the city council shall have the authority to waive
27 application of these local vendor preference provisions in connection with contracts over
28 which the city council has contracting or approval authority.

D. Quality and fitness. The local preference set forth in this section shall in no way be construed
to inhibit, limit or restrict the right and obligation of the city council and the city manager to

1 compare quality and fitness for use of supplies, equipment, and services proposed for purchase
2 and compare the qualifications, character, responsibility, and fitness of all persons, firms, or
3 corporations submitting bids or proposals. In addition, the preferences set forth in this section
4 shall in no way be construed to prohibit the right of the city council or the city manager from
5 giving any other preference permitted by law. Notwithstanding the provisions of subsection
6 C.1 above, if the city manager finds a local professional services vendor is equally responsive
7 in meeting the needs of the city, including, but not limited to, price, qualifications, character,
8 responsibility and fitness, the preference may be given to a local professional
9 services vendor, recognizing the value of local knowledge and expertise.

10 E. Application. The local vendor preference provided in this section shall apply to new contracts
11 and purchases for goods, supplies, equipment and materials first solicited on or after 30 days
12 after the adoption of this section.

13 F. Findings. Whenever soliciting proposals for the provision of goods, supplies, equipment or
14 services governed by this section, the findings shall be included in the notification to all
15 bidders.

16 This ordinance was adopted by the City Council of the City of Chico at its meeting
17 held on ~~November 7, 2010~~ by the following vote:

18 AYES: Coolidge, Ory, Schwab, Sorensen, Stonw, Fillmer, Morgan

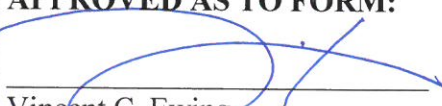
19 NOES: None

20 ABSENT: None

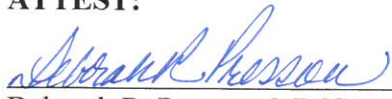
21 ABSTAIN: None

22 DISQUALIFIED: None

23 **APPROVED AS TO FORM:**

24 
25 Vincent C. Ewing
City Attorney*

26 **ATTEST:**

27 
28 Deborah R. Presson, MMC
City Clerk

*Pursuant to The Charter of the City of Chico, Section 906(E)