

City of South El Monte Local Business Preference Policy

Purpose

Recognizing that a sustainable economy is the result of a healthy local economy, the City of South El Monte will promote practices that help preserve local businesses and maintain the City's tax base.

Definition of Local Business

A "local business" shall mean any business which

1. has or maintains a fixed office, distribution point, or place of business within the city and
2. whose business address is not a post office box, and
3. which is shown by records maintained by the city's finance department as having secured and paid all necessary business licenses and applicable fees and taxes imposed by the city.

Exceptions

The local preference policy shall not apply where prohibited by law or regulation including, but not limited to, public works contracts or specific state or federally funded projects.

Purchases of Supplies, Equipment, and Non-Professional Services

- A. In addition to meeting the definition of a local business (defined above) the business, to be considered as a local business, they must also possess a valid resale license from the California State Board of Equalization showing evidence of a local business address within South El Monte and the payment of the local share of the sales tax must go to the City of South El Monte. If the local business has more than one office in the State of California, the office located in South El Monte shall be the point of sale credit for the purpose of sales tax calculation.

- B. Award Preference
 1. When competitive bidding is used, and the lowest bidder is not a local business, a local business whose bid is within five percent (5%) of the lowest bid may match the lowest bid (but not greater than \$5,000). The offer to match shall be in writing and personally delivered to the Purchasing Officer within two (2) business days of the date of the bid opening.
 2. When more than one local business meets the criteria above, priority shall be given to local businesses in order of proximity to the lowest bid.
 3. Where a local business and a non-local business submit equivalent bids, the Purchasing Officer shall give preference to the local business.
 4. The Purchasing Officer may ask bidders requesting a preference to provide documentation evidencing eligibility. Any bidder who intentionally misrepresents their eligibility to receive a bid preference may be disqualified

by the Purchasing Officer from the bidding process and from submitting any future bids for up to three (3) years.

Purchases of Professional Services

Since professional services are selected on basis other than price the local preference does not apply.