



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 12-754, Version: 1

- a. Consider approving and adopting the Monterey County Local Preference Policy as presented by the Resource Management Agency and the Contracts/Purchasing Division in response to Board Referral 2011.08; and
- b. Consider supporting staff's recommendation of Option-B, within Section B of the proposed policy, as currently defined by County Ordinance 2.32.035 Preference for Local Suppliers.

RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Approve and adopt the Monterey County Local Preference Policy as presented by the Resource Management Agency and the Contracts/Purchasing Division in response to Board Referral 2011.08; and
- b. Support staff's recommendation of Option-B, within Section B of the proposed policy, as currently defined by County Ordinance 2.32.035 Preference for Local Suppliers.

SUMMARY/DISCUSSION:

The County of Monterey is a large consumer of goods and services and as such, the purchasing practices of County departments can have a significant impact on our local economy. In response to Board Referral 2011.08, staff from the Office of the County Counsel, Contracts/Purchasing, and Resource Management Agency met with several stakeholder groups, including members from the local American Institute of Architects Monterey Bay Chapter (AIA Monterey Bay), on multiple occasions to discuss the board's referral in depth.

During the meetings, members of the stakeholders group provided staff with a number of local preference documents from a variety of other jurisdictions as reference materials to aid in the discussions. The discussions of the group focused mainly around the stakeholder's request to include additional local preference provisions within the County's current selection process during the formal solicitation process (non-public works related projects) that would give local businesses within the tri-county area of Monterey, San Benito and Santa Cruz County an advantage over non-local proposers. The proposed policy expands on the current local preference practices, and adds a five percent preference to local consultants submitting proposals for professional services in recognition of the importance of local knowledge and experience in timely, cost effective, project execution. The policy also includes a section on implementation, evaluation and reporting.

Staff has discussed the potential impacts being proposed through the adoption of the proposed policy, and staff is recommending that the Board of Supervisors approve and adopt the proposed draft policy including Option B within section B of the policy. For contracts that are awarded based on price, this essentially allows a local bidder to match a non-local bid that is within five percent, consistent with the current policy and Monterey County Code section 2.32.035. Staff is not recommending Option A due to the lack of data that is available to justify the increased cost of providing services or materials. Increased costs may have a negative effect on the staffing for departments that do not have the ability to fund the increase in cost. If such an option is to be pursued, it is recommended that a study be undertaken to support findings for a change in the practice.

The proposed policy, if approved by the Board of Supervisors, will be introduced to the County's current Purchasing Policy as a revision to the existing policy. Additionally, section 2.32.035 of the Monterey County

Code will be amended to be consistent with the policy if adopted.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel, Contracts/Purchasing Division, and Resource Management Agency have worked with, to mention just a few of the following stakeholder groups in the development of the proposed policy before you today: American Institute of Architects Monterey Bay, Monterey Peninsula Chamber of Commerce, Salinas Valley Chamber of Commerce, Central Coast Builders Association, Association of Environmental Professionals, Monterey Bay Area Chapter, Economic Strategy Team, COPA, Monterey Bay Central Labor Council, and Santa Cruz Building and Construction Trades Council.

FINANCING:

Option B has no financial implications to the County. However, if Option A is chosen there is a lack of data to know what the financial impact to the County would be and an analysis would have to be done to determine the impact.

Prepared by: Mike Derr, Contracts/Purchasing Officer, (831) 755-4992

Approved by:

Benny J. Young, RMA Director

Dated: August 17, 2012

Attachment: Draft- Monterey County Local Preference Policy