

Salinas Adopts “Buy Local Ordinance”

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In what is among only a small handful of communities in the state, the Salinas City Council has adopted an ordinance that gives preference to businesses located within its city limits.

This action was the result of a request from Salinas Valley Chamber of Commerce, Salinas Valley Builders Exchange, Oldtown Salinas Association, Land Watch Monterey County, and numerous other local businesses. Along with increased activity in our local economy, other benefits include increased sales tax revenue and higher employment rates. This in turn will foster improvement in our educational system. This ordinance is intended to encourage local institutions, businesses and consumers to join the City in spending locally.

The approach in designing the ordinance was to accommodate a win-win environment for all by providing a local supplier the chance to meet the bid price of a non-local supplier. This same approach is used by the County of Monterey. This allows local suppliers an opportunity to compete against out of the area suppliers and still meets the City’s responsibility to provide sound fiscal policy.

A brief summary of the details of the ordinance includes the following points:

- Gives local businesses rights of first refusal if the local bid is within 10% of a non-local bid.
- Applies only to local businesses located within the City limits for at least one year prior to the passage of this ordinance
- Local businesses must have a business license
- Local business must pay sales tax if applicable
- Applies only to purchases over \$5000.00
- Applies for purchases of supplies, equipment and non-professional services
- Applies to competitive bids, formal or informal

Excluded from the ordinance are the following points:

- Professional service contracts
- Public Works contracts
- Emergency purchases
- Direct, or sole purchases by the City’s Purchasing Agent
- Some grant funded purchases, or other specifically constrained funds

It is anticipated that with the passage of this ordinance and seeing the City of Salinas taking the lead, other Associations, institutions, large and smaller businesses will adopt a similar policy. This effort was seen as an alternative to asking local businesses to encourage patronage by offering discounted products and services as part of a limited time 'campaign'. It is also understood that through this ordinance, local businesses will still have a responsibility to be price and service competitive, but they will now have a decided advantage.

To paraphrase the words of our mayor "finding competent, competitive prices and services does not mean you have to travel away from Salinas". Tom Keever, City of Salinas Finance Director, will be holding a Chamber Brown Bag Workshop in the near future. This workshop will cover the fine points of the nuts and bolts of how the ordinance will work. All interested local businesses will be invited to attend.

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