

APPROVED
BY THE CITY COUNCIL

MAY 18 1999

OFFICE OF THE
CITY CLERK



1.8

DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

May 7, 1999

PS:Admin:99032:RBH:bd

5730 - 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
95822-3699

PH 916-433-6240
FAX 916-399-0263

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: ORDINANCE AMENDING SECTION 57.01.102(b) OF THE SACRAMENTO CITY CODE RELATING TO DEDUCTION OF LOCAL SALES OR USE TAX FROM BIDS FOR SUPPLIES AND NONPROFESSIONAL SERVICES

LOCATION AND COUNCIL DISTRICT: City-wide

STAFF RECOMMENDATION:

This report recommends that the City Council adopt the attached Ordinance amending City Code Section 57.01.102(b), relating to deduction of local sales or use tax from bids for supplies and nonprofessional services.

CONTACT PERSON: Bob Holbrook, Procurement Services Manager, 433-6202

FOR COUNCIL MEETING OF: May 18, 1999

SUMMARY:

This report recommends that the City Council amend Section 57.01.102(b) of the City Code relating to deduction of local sales or use tax from bids for supplies and nonprofessional services. This change is intended to clarify the requirements that must be met in order for bidders to have the amount of local sales or use tax deducted from their bids in the bid evaluation process.

COMMITTEE/COMMISSION ACTION:

This item was heard by the Law & Legislation Committee on May 6, 1999. The Committee recommended the report be forwarded to the City Council for approval.

BACKGROUND:

City Code Section 57.01.102(b) requires that for bids which are subject to the City's local sales or use tax, the amount of that tax is to be deducted from such bids when determining the lowest responsible bidder. In the past, some ambiguities have arisen regarding the application of this provision, particularly in the case of bidders that identify a different business location after bids are opened. The proposed change to the Code

will specify that the determination of eligibility for the deduction of local sales/use tax will be based on the bidder's eligibility at the time of bid opening, using information provided in the bids. Following adoption of the revised Ordinance, bid solicitation documents will be modified appropriately to require bidders to provide evidence in the bid documents that they are eligible for the local sales/use tax deduction.

FINANCIAL CONSIDERATIONS:

This Code revision should have no financial impact. Bids will continue to be awarded to the lowest responsible bidder after the deduction of the local sales/use tax.

POLICY CONSIDERATIONS:

The recommendations in this report provide a technical clarification to Section 57.01.102(b) of the City Code relating to the deduction of local sales or use tax from bids for supplies and nonprofessional services.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).

ESBD CONSIDERATIONS:

The subject Code Section applies equally to all bidders, including emerging and small business enterprises.

Respectfully submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

1 Attachment

ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

AN ORDINANCE AMENDING SECTION 57.01.102(b) OF THE SACRAMENTO CITY CODE, RELATING TO DEDUCTION OF LOCAL SALES OR USE TAX FROM BIDS FOR SUPPLIES AND NONPROFESSIONAL SERVICES

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Subdivision (b) of Section 57.01.102 of the Sacramento City Code is hereby amended to read as follows:

- (b) Based on the information provided in the bids, the City Council or the City Manager, as the case may be, shall identify those bids that are subject at the time of bid opening to the City's local sales or use tax under the provisions of Part 1.5 of Division 2 of the California Revenue and Taxation Code and Chapter 41.03 of Title 41 of the Sacramento City Code. The lowest responsible bidder shall be determined after the amount of local sales or use tax that would be received by the City is deducted from such bids. This deduction shall be in addition to the application of any bid price preferences authorized by Section 57.01.102(c), below.

DATE PASSED FOR PUBLICATION:
DATE ENACTED:
DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

- 2 -

3/31/99

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

(4)

APPROVED
BY THE CITY COUNCIL

MAY 18 1999

OFFICE OF THE
CITY CLERK

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ORDINANCE NO. 99-

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

AN ORDINANCE AMENDING SECTION 57.01.102(b) OF THE SACRAMENTO CITY CODE, RELATING TO DEDUCTION OF LOCAL SALES OR USE TAX FROM BIDS FOR SUPPLIES AND NONPROFESSIONAL SERVICES

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Subdivision (b) of Section 57.01.102 of the Sacramento City Code is hereby amended to read as follows:

- (b) ~~In determining the lowest responsible bidder~~ Based on the information provided in the bids, the City Council or the City Manager, as the case may be, shall consider which identify those bids, price offers or quotations will result in receipt by the city of that are subject at the time of bid opening to the City's local sales or use tax under the provisions of Part 1.5 of Division 2 of the California Revenue and Taxation Code and Chapter 41.03 of Title 41 of the Sacramento City Code ~~and shall deduct.~~ The lowest responsible bidder shall be determined after the amount of local sales or use tax which will that would be received from any such bid, price offer or quotation by the City is deducted from such bids. This deduction shall be in addition to the application of any bid price preferences authorized by Section 57.01.102(c), below.

DATE PASSED FOR PUBLICATION:
DATE ENACTED:
DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

PASSED FOR
PUBLICATION
& CONTINUED
TO 5/18/99



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DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

5730 - 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
95822-3699

PH 916-433-6240
FAX 916-399-0263

May 6, 1999
PS:Admin:99028:RBH:bd

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: ORDINANCE AMENDING SECTION 57.01.102(b) OF THE SACRAMENTO CITY CODE RELATING TO DEDUCTION OF LOCAL SALES OR USE TAX FROM BIDS FOR SUPPLIES AND NONPROFESSIONAL SERVICES

LOCATION AND COUNCIL DISTRICT: City-wide; All districts

STAFF RECOMMENDATION:

This report recommends that the item be passed for publication of title and continued to May 18, 1999.

CONTACT PERSON: Bob Holbrook, Procurement Services Manager, 433-6202

FOR COUNCIL MEETING OF: May 11, 1999

SUMMARY:

This item is presented at this time for approval of publication of title pursuant to City Charter, Section 32.

COMMITTEE/COMMISSION ACTION:

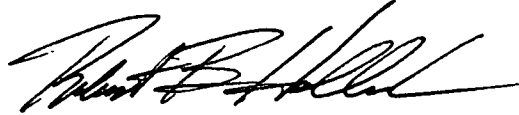
The attached proposed ordinance amendment was heard by the City Council's Law and Legislation Committee on May 6, 1999. The Committee recommended forwarding the proposed ordinance amendment to the City Council for approval.

BACKGROUND:

Prior to publication of an item in a local paper to meet legal advertising requirements, the City Council must

first pass the item for publication. The City Clerk then transmits the title of the item to the paper for publication and for advertising the meeting date.

Respectfully submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

1 Attachment

APPROVED
BY THE CITY COUNCIL

MAY 18 1999

OFFICE OF THE
CITY CLERK

ORDINANCE NO. 99-025

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**AN ORDINANCE AMENDING SECTION 57.01.102(b) OF
THE SACRAMENTO CITY CODE, RELATING TO
DEDUCTION OF LOCAL SALES OR USE TAX FROM BIDS
FOR SUPPLIES AND NONPROFESSIONAL SERVICES**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Subdivision (b) of Section 57.01.102 of the Sacramento City Code is hereby amended to read as follows:

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DATE PASSED FOR PUBLICATION:
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DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

- 2 -

3/31/99

FOR CITY CLERK USE ONLY

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DATE ADOPTED: _____

(4)

ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

AN ORDINANCE AMENDING SECTION 57.01.102(b) OF THE SACRAMENTO CITY CODE, RELATING TO DEDUCTION OF LOCAL SALES OR USE TAX FROM BIDS FOR SUPPLIES AND NONPROFESSIONAL SERVICES

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3/31/99

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