



City of Tacoma  
City Manager

**TO:** Mayor Bill Baarsma

**FROM:** Tansy Hayward, Assistant City Manager *TH*

**SUBJECT:** 2009 United Steelworker's Proposed Resolution on the Spending of Federal Economic Renewal Grants

**DATE:** May 19, 2009

As requested yesterday, I have outlined the issues that the Council could consider in adopting a resolution on the spending of federal economic renewal grants on local services and products. As discussed, after conferring with Elizabeth Pauli, we believe the language in the resolution is broad and is not binding and therefore is not in full conflict with existing policies or practices. However, I want to be clear about the impact the resolution will have on purchasing policy and processes.

1. The City must award contracts to the lowest responsive bidder. The City does not have legal authority to give local preference to vendors unless there is specific authorization in state law for granting the preference. There are two situations currently under which the City has considered the vendor's location.
  - a. In the case of an exact tie, the City has the authority under TMC 1.06.264 to award contracts based on vendor location and does so.
  - b. Under RCW 39.30.040, Cities have the authority to consider tax revenue generated from local vendors and products in evaluating proposals. When the state shifted to destination based sales tax, local providers lost the advantage that this provision provided. In light of this, when the City adopted its new purchasing code, it did not include such a provision.
2. As further illustration of policy negating local preference, the State of Washington has provided higher regulation on vendors from states in which vendors are provided local preference. RCW 43.19.702 and RCW 43.19.704 provide the provisions for imposing penalties for evaluating bids submitted by vendors located in states with local preference laws.
3. Administratively, the City does not currently require vendors to disclose the origin of products that they are using, nor does it track the origin of most products it is using directly. Doing so would be administratively difficult.
4. The ARRA also includes some provision in the bill related to the purchase of American products. For example, Under Section 1605 of the ARRA, no funds appropriated by the Act may be used for a public buildings/works project unless

“all iron, steel and manufactured goods used... are produced in the U.S.” The bill does call out exceptions to the provision.

5. The USW resolution is silent to the impact of foreign trade to our economy and the partnership that the City has with the Port of Tacoma.
  
6. I found a listing of Cities that have been requested to pass the United Steel Workers resolution. Currently, the USW website identifies that Tumwater, Kelso, and Clark County WA have adopted resolutions. Staff also found a similar resolution that was adopted by the City of Sumner, WA in 2007. The resolution is attached.



**2009 Resolution on the Spending of  
Federal Economic Renewal Grants to  
( \_\_\_\_\_ )**



**WHEREAS**, the economic downturn is having a critical impact on everyday Americans who are struggling to maintain or find jobs in an increasingly difficult environment, and

**WHEREAS**, those same Americans are the taxpayers that provide the revenue needed to operate essential government services, and

**WHEREAS**, Congress has approved and President Obama has signed into law a taxpayer-sponsored economic recovery package that will provide billions of dollars to help economically devastated cities and states immediately provide jobs to millions of out-of-work Americans through considerable infrastructure rebuilding, green energy projects and other projects that will require manufactured components, and

**WHEREAS**, our taxpayer dollars should be spent to maximize the creation of American jobs and restoring the economic vitality of our communities, and

**WHEREAS**, any domestically produced products that are purchased with economic recovery plan monies will immediately help struggling American families and will help stabilize our greater economy, and

**WHEREAS**, any economic recovery plan spending should – to every extent possible – include a commitment from ( \_\_\_\_\_ ) to buy materials, goods and services for projects from companies that are produced within the United States, thus employing the very workers that pay the taxes for the economic recovery plan spending in the first place.

**THEREFORE,**

**BE IT RESOLVED THAT**, we the undersigned will work to maximize the creation of American jobs and restoring economic growth and opportunity by spending economic recovery plan funds on products and services that both create jobs and help keep Americans employed.

**BE IT FURTHER RESOLVED THAT**, we commit to purchasing only products and services that are made or performed in the United States of America whenever and wherever possible with any economic recovery monies provided to ( \_\_\_\_\_ ) by the American taxpayers, AND

**BE IT FURTHER RESOLVED THAT**, as legislators of ( \_\_\_\_\_ ), we commit to publish any requests to waive these procurement priorities so as to give American workers and producers the opportunity to identify and provide the American products and services that will maximize the success of our nation's economic recovery program.



**CITY OF SUMNER  
RESOLUTION NO. 1227**

**RESOLUTION OF THE CITY OF SUMNER, WASHINGTON, ENCOURAGING BUY AMERICAN AND BUY LOCAL EFFORTS.**

**WHEREAS**, a country is as strong as its domestic manufacturing base; and

**WHEREAS**, it is recognized that historically, a strong national defense is based on the strength of that country's manufacturing base especially as demonstrated in World War II; and

**WHEREAS**, supporting local and national manufacturing and production provides living wage jobs and solid futures for our neighbors and our children; and

**WHEREAS**, keeping production and manufacturing local supports a healthy environment by reducing transportation emissions and the need for "commuter" jobs; and

**WHEREAS**, we are concerned that some foreign relations efforts have inadvertently eroded local relations and foundations; and

**WHEREAS**, we believe it vital to our community's health to preserve viable agriculture, local businesses, and the American spirit of entrepreneurs; and

**WHEREAS**, we are concerned that people are choosing immediate cost savings on foreign products without realizing the long-term costs to our community, our neighbors, our country and our environment; and

**WHEREAS**, buying locally helps implement portions of the Sumner Comprehensive Plan, specifically protection of agriculture (Open Space Policy 2.3, Economic Development Policy 1.6), encouragement of small business (Economic Development Goal 4), and generally reduces transportation costs and impacts and helps protect the environment; and

**WHEREAS**, supporting our domestic manufacturing base invests in our future as a free and independent country; and

**WHEREAS**, a variety of sources exist to find information about buy America and buy local, including [www.localharvest.org](http://www.localharvest.org); [www.madeinusa.org](http://www.madeinusa.org); [www.buyamerican.org](http://www.buyamerican.org); [www.buylocal.net](http://www.buylocal.net); [www.howtobuymexican.com](http://www.howtobuymexican.com); [www.howtobuyamerican.com](http://www.howtobuyamerican.com); and [www.buydirectUSA.com](http://www.buydirectUSA.com).

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**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUMNER, WASHINGTON DOES RESOLVE AS FOLLOWS:**

**Section 1.** The intent of this resolution is to direct the City, to the extent feasible, to raise the awareness of these issues, to follow the awareness with action, and to promote this resolution to other similar organizations. As such, the City of Sumner will lead by example, attempting in its purchases to buy products and supplies made in the United States of America or those products with the greatest percent of American-made content. The City recognizes and will continue to follow all state and local bidding laws and policies to be good stewards of the public's finances in its attempts to purchase American made products. The City hopes that efforts such as this will help keep local and nationally made products competitive in quality and price to foreign-made products.

**Section 2.** The City will also attempt to support local businesses, including farmers, manufacturers and retailers, by keeping purchases local when possible. The City recognizes and will continue to follow all state and local bidding laws and policies to be good stewards of the public's finances in its attempts to purchase locally made products. The City hopes that efforts such as this will help keep local and nationally made products competitive in quality and price to foreign-made products.

**Section 3.** If American-made products are not available, the City shall look to support our North American neighbors with products made in Canada or Mexico before looking to the global market. We recognize that our neighboring countries face the similar manufacturing challenges and would like to support strong futures for these nations and their citizens as well. The City recognizes and will continue to follow all state and local bidding laws and policies to be good stewards of the public's finances in its attempts to purchase products from Canada or Mexico.

**Section 4.** The City shall also support education efforts to remind citizens of the local and national consequences of individual purchasing decisions.

**Section 5.** The City will strive to partner with the Chamber of Commerce, the Downtown Association, local farmers, manufacturers, businesses and retailers to develop a local buying campaign that supports local businesses while preserving and celebrating the uniqueness of our community.

**Section 6.** Upon adoption by the City Council, the City Administrator will forward a copy of this resolution to elected officials in neighboring cities as well as our County, State, and Federal elected officials. We recognize that many communities are joining this growing trend and want to invite our neighbors to share their own efforts already underway or help develop a more regional and national approach.

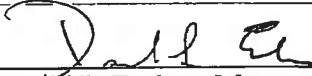
**Section 7.** It is our hope that we help be a catalyst to a growing effort that we hope will spread to every city and state in these United States of America.


**Section 8.** We ask other cities, towns, counties and states to send us copies of their buy local resolutions and efforts to the City of Sumner, Washington, so that together, we gauge the effectiveness of this type of approach to continue improving and working together for national results.

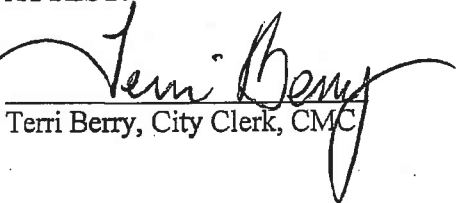
**Section 9.** The City will review the efforts to execute this resolution within six months following adoption.

**Section 10. Effective Date.** This resolution shall take effect immediately upon passage by the City Council.

**ADOPTED AND APPROVED** this 5<sup>th</sup> day of November, 2007.

  
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David L. Enslow, Mayor

**APPROVED AS TO FORM:**  
  
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Brett C. Vinson, City Attorney

**ATTEST:**  
  
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Terri Berry, City Clerk, CMC