

**APPENDIX:**  
**OTHER CITIES' AND COUNTIES' LOCAL PREFERENCE PURCHASING POLICIES**

COMPILED BY

CITY ATTORNEY

CLERK MATT

GILLHOUSE ON

JULY 25, 2006

ALBUQUERQUE, NM

§ 5-5-10(B)(1)(b) – Purchases by Quotation of \$10,000 or less:

§ 5-5-10 PROCUREMENT REQUIREMENTS; REJECTION OF OFFERS.

Except as otherwise provided by law, all purchases of goods, services and construction shall be made in accordance with the following provisions:

(B) *Purchases by quotation.* Purchases of goods, services and construction may be made by the Central Purchasing Office by requests for quotation in accordance with the following provisions:

(1) (b) Quotations for the purchase of goods or services involving the expenditure of not more than \$10,000 **shall be obtained only from businesses located within the Greater Albuquerque Metropolitan Area**, if there are three or more businesses within those boundaries which provide the goods, services or construction. Award may be made only to the responsible offeror(s) submitting the lowest responsive offer(s), provided the prices offered are comparable to those available on the open market

(C) *Competitive sealed bids*

(1) All purchases of goods, services, and construction in excess of \$10,000 shall be made by competitive sealed bid except as otherwise authorized by this article.

## COLUMBUS, OH

### **329.04 Definitions.**

(j-k) **Local Bidder** An individual or business entity: (1) whose principal place of business is located within the corporation limits of the city of Columbus or the county of Franklin as registered in official documents filed with the Secretary of State, state of Ohio, or Franklin County recorder's office; or (2) who holds a valid vendor's license which indicates that its place of business is located within the corporation limits of the city of Columbus or county of Franklin.

### **329.06 Competitive sealed bidding.**

(a) The establishment of universal term contracts and/or the procurement of all materials, supplies and equipment shall be conducted under this section as follows:

(8) In determining the lowest bid for purposes of awarding a contract under this section, a **local bidder** shall receive a credit equal to one (1) percent of the lowest bid submitted by a non local bidder or twenty thousand dollars (\$20,000.00), whichever is less.

(b) The procurement of all service contracts except construction, custodial, landscaping, guard and security services, cleaning and recycling services, and professional services shall be conducted under this section as follows:

(8) In determining the lowest bid for purposes of awarding a contract under this section, a **local bidder** shall receive a credit equal to one (1) percent of the lowest bid submitted by a non local bidder or twenty thousand dollars (\$20,000.00), whichever is less.

(c) The procurement of all custodial, landscaping, guard and security service, cleaning and recycling service contracts shall be conducted under this section as follows:

(9) In determining the lowest bid for purposes of awarding a contract under this section, a **local bidder**, as defined in Section 329.04(j-k), shall receive credit equal to one (1) percent of the lowest bid submitted by a non-local bidder or twenty thousand dollars (\$20,000.00), whichever is less.

### **329.07 Exceptions to competitive sealed bidding**

(d) Procurement of Materials, Supplies, Equipment, and Services Other Than Construction and Professional Services not Exceeding Twenty Thousand Dollars (\$20,000.00).

(3) In determining the lowest bid for purposes of awarding a contract under this section, a **local bidder** (as defined in Section 329.04(j-k)), shall receive credit equal to five (5) percent of the lowest bid submitted by a non-local bidder, where bids do not exceed twenty thousand dollars (\$20,000.00).

**KETCHIKAN, AK**

**3.12.040 Purchases of supplies, materials, equipment or services -- when competitive bidding or quotations are required.**

(c) Contracts Over fifty thousand dollars.

(4) **Local Bidder Preference Award.** (A) Unless contrary to federal or state law or regulation, a contract or purchase for supplies, materials, equipment or contractual services the amount of which is less than two hundred thousand dollars shall be awarded to a local bidder where

the bid by such local bidder is in all material respects comparable to the lowest responsible nonlocal

bid if the amount bid by such local bidder does not exceed the lowest responsible non-local bid by more than:

(i) Ten percent (10%) of the amount bid by the lowest responsible nonlocal bidder if that non-local bidder's bid is \$100,000 or less;

(ii) Seven percent (7%) of the amount bid by the lowest responsible nonlocal bidder or \$10,000, whichever is less, if that non-local bidder's bid is greater than \$100,000 but less than or equal to \$200,000.

No local bidder preference will be allowed if the lowest responsible non-local bidder's bid exceeds \$200,000. The council may by motion adopted prior to bid opening exempt any contract or purchase from the local bidder preference set forth in the preceding sentence.

(B) "Local bidder," for purposes of the preceding paragraph means a person who:

(i) Holds a current Alaska business license;

(ii) Submits a bid for goods or services under the name appearing on the person's current Alaska business license;

(iii) Has maintained a place of business within the boundaries of the Ketchikan Gateway Borough for a period of six months immediately preceding the date of the

bid; and

(iv) Is not delinquent in the payment of any taxes, charges or assessments owing to the city of Ketchikan or the Ketchikan Gateway Borough on account of that business.

(C) The manager may require such documentation or verification by the person claiming to be a local bidder as is deemed necessary to establish the requirements of (B) above.

(Ord. 1379 §1 & 2, 1997; Ord. 1296 §1, 1994; Ord. 1291 §3, 1994; Ord. 1255 §1, 1993; Ord. 1241 §1, 1992; Ord. 1053 §1, 1985; Ord. 1048 §1, 1984; Ord. 1031 §1, 1984; Ord. 956 §1, 1981; Ord. 886 §2, 1977; Ord. 822 §1 (part), 1975)

## LEWISTON, ME

### **3.1.6.3 LOCAL VENDOR PREFERENCE:**

1) Notwithstanding the provision of Subsection 3.1.6.1, it is the policy of the City of Lewiston, when making purchases or entering contracts, to give some preference to local vendors and service providers, if the price differential between the local and the other suppliers is small. This policy encourages a strong and diverse economy within the City; and it further supports local businesses and individuals, which not only pay taxes, but also spend their incomes locally, and support other community institutions.

2) If the bid received from a Lewiston business establishment is in the same amount as, or is within two percent (2%) of a low bid submitted by a business located outside of the City, then the purchase/contract may be awarded to the Lewiston business, quality and service being equal.

**3.1.6.4 TIE BIDS:** If all bids received are for the same total amount or unit price, quality and service being equal, the contract shall be awarded first to a local bidder and second to an in-state bidder. If neither of the above applies, the contract shall be awarded to one of the tie bidders by drawing lots in public.

**SAN DIEGO, CA**

CITY OF SAN DIEGO, CALIFORNIA

## **COUNCIL POLICY**

CP-100-10

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SUBJECT: LOCAL VENDOR PREFERENCE

**POLICY NO.: 100-10**

EFFECTIVE DATE: May 29, 1984

### **BACKGROUND:**

The City of San Diego expends millions of dollars annually in the procurement of materials, supplies and services to meet the requirements of the various City departments. Historically a little more than half these purchases have been made from suppliers outside the City of San Diego.

### **PURPOSE:**

The purpose of this policy is to express the intentions of the City Council with regard to local vendor preference.

### **POLICY:**

The City Council recognizes the importance of a sound local economy to the overall vitality of the community. Businesses located in the City of San Diego are capable of providing many of the goods and services for which the City contracts.

**The City shall purchase materials, supplies and services from businesses within the City of San Diego when it is legal and economical to do so.** All or any portion of the City Sales Tax returned to the City shall be considered in the evaluation of bids. In the event of tie bids San Diego vendors will be given preference.

### **HISTORY:**

Adopted by Resolution R-260805 05/29/1984

**STAFFORD, CT**  
**Section VI**

**11-5 Bidding and Purchasing Policy Ordinance**

**Local Vendor Preference**

In the case of two or more bids being received are of a substantially comparable total amount or unit price, and the quality and service being substantially similar with no evidence of collusion, the Board may award the bid contract to a vendor having his/her principal place of business located in the Town of Stafford.

OSCEOLA CO, FL

**CHAPTER THREE - PURCHASING**

**3.09 PREFERENCE.**

(A) **LOCAL PREFERENCE.** All procurements subject to the bid or quotation requirements of this Chapter shall be given a preference in the amount of 3% of the bid or quoted price (for purposes of bid tabulation and comparison) to local persons, firms, and corporations. Local persons, firms, and corporations shall be defined as those whose principal place of business is located within the territorial boundaries of Osceola County, Florida. "Principal place of business located within the territorial boundaries of Osceola County" shall mean those businesses which have and maintain a resident office or other place of business within this County, whether denominated a main, home, branch, auxiliary, or affiliated office, at the time the bid or quotation is submitted. Local Vendor Certification must be completed before bid submittal in order to be valid. Certification shall include but not be limited to: (1) physical business/local address, (2) current occupational license showing that business is located in Osceola County, and (3) any additional information necessary to clarify company's compliance may be required. If a contract is being funded in whole or in part by assistance from a federal, state, or local agency that disallows Local Preference, the County shall adhere to those requirements by not applying this section.

**INGHAM CO, MI**

RESOLUTION #05-044: *See Attachment*

Introduced by the County Services and Finance Committees of the:

**INGHAM COUNTY BOARD OF COMMISSIONERS**

**RESOLUTION TO AMEND THE PURCHASING POLICIES TO INCLUDE A  
PROVISION FOR LOCAL PURCHASING PREFERENCE**

**RESOLUTION #05-044**

WHEREAS, the Board of Commissioners believes that its purchasing policies should encourage local vendors to provide goods and services to Ingham County government, resulting in increased economic activity through more local jobs, tax revenues, and expenditures, and to entice business relocations to the County.

THEREFORE BE IT RESOLVED, that the Board of Commissioners encourages all county offices, departments and courts supported by the County to utilize local vendors, wherever possible, practical, and cost effective.

BE IT FURTHER RESOLVED, that the Board of Commissioners hereby amends the Ingham County Purchasing Policies by providing a preference for registered local vendors who respond to formal bids or proposals for the purchase of goods or supplies, issued by the Ingham County Purchasing Department.

BE IT FURTHER RESOLVED, that for purposes of this policy, a "registered local vendor" (RLV) shall mean any vendor who operates a business within the legally defined boundaries of Ingham County. In order to be identified as a "RLV", the vendor shall provide the Ingham County Purchasing Department with a verifiable physical business address (not a P.O. Box) at which the business is conducted.

BE IT FURTHER RESOLVED, that the RLV's status ceases at the time that the business address is no longer valid.

BE IT FURTHER RESOLVED, that a vendor who wishes to be identified as a RLV shall also meet all other requirements of the County's Purchasing Policies.

BE IT FURTHER RESOLVED, that a RLV who submits a responsive bid which is within 5% of the lowest responsive bid shall be given the opportunity to reduce its bid to meet the lowest responsive bid, and upon doing so, shall be considered to be the lowest responsive bid, provided however, that the initial lowest responsive bid is not from another RLV.

BE IT FURTHER RESOLVED, that in the event that two (2) or more RLVs submit responsive bids which are within 5% of the lowest responsive bid, the RLV with the

RESOLUTION #05-044

lowest responsive bid shall be given the opportunity to reduce their bid to meet or be less than the lowest responsive bid, and upon doing so, shall be considered to be the lowest responsive bid, provided however, that the initial lowest responsive bid is not from another RLV. In the event of a tie between 2 RLVs, where all other factors are equal in the sole discretion of the Purchasing Department, and where the Purchasing Department is unable to break the tie through additional negotiations, the award of bid shall be by coin toss. However, negotiations shall be based solely upon the bid price, and the Purchasing Department shall not negotiate any changes to, or otherwise vary, the specifications, contract requirements or scope of work.

BE IT FURTHER RESOLVED, that a RLV who submits a responsive proposal which includes a cost proposal which is within 5% of the cost of the lowest responsive proposal shall be given the opportunity to reduce its

proposed cost to meet the cost of lowest responsive proposal, and upon doing so, the proposal shall be evaluated as having a cost component which is the lowest; provided however, that the initial lowest responsive proposal is not from another RLV. Having the lowest cost proposal, however, does not necessarily result in the award of the proposal, because of other factors also being evaluated. In addition, a lowered cost proposal by an RLV which is premised upon, in whole or in part, changes to or variances to the published specifications, contract requirements or scope of work shall be considered non-responsive and will not be considered.

BE IT FURTHER RESOLVED, that in the event that two (2) or more RLVs submit responsive proposals which are within 5% of the lowest responsive proposal, and the lowest responsive proposal is not from another RLV, the RLV with the lowest responsive proposal shall be given the opportunity to reduce the cost proportion of their proposal to meet or be less than the cost component of the lowest responsive proposal. That proposal will be evaluated with the revised cost proposals. Having the lowest cost proposal, however, does not necessarily result in the award of the proposal, because of other factors also being evaluated.

BE IT FURTHER RESOLVED, that if RLVs who are given the opportunity to reduce cost bids or proposals are unable or unwilling to reduce their bid or proposal costs to match the lowest responsive bid or proposal of a non-RLV, then the bid/proposal shall be awarded without regard to RLV status.

**RESOLUTION #05-044**

BE IT FURTHER RESOLVED, that RLVs who utilize non-RLVs as subcontractors for more than 50% of the work in a specific bid or proposal shall not be entitled to preference as a RLV for that specific bid or proposal.

BE IT FURTHER RESOLVED, that when a RLV submits a responsive bid or proposal which is equal to a bid or proposal submitted by a non-RLV, then the responsive bid or proposal shall be awarded to the RLV.

BE IT FURTHER RESOLVED, that the following purchases are exempt from the provisions of this policy:

1. Purchases resulting from exigent emergency conditions where any delay in completion or performance would jeopardize public health, safety or welfare of the citizens of the County, or where in the judgment of the County Controller the operational effectiveness or a significant County function would be seriously threatened if a purchase was not made expeditiously.
2. Purchases with any sole source supplier for supplies, materials, or other equipment.
3. Purchases made through the State of Michigan's Extended Purchasing Program, or other cooperative purchasing contractual arrangements utilized by the Purchasing Department.

BE IT FURTHER RESOLVED, that any person, firm, corporation or entity intentionally submitting false information to the County in an attempt to qualify for the local purchasing preference shall be barred from bidding on county contracts for a period of not less than three (3) years.

BE IT FURTHER RESOLVED, that nothing in this resolution shall be deemed to waive or constrain, in any manner, the sole discretion of the County, or the offices, agencies, and departments of the County in any way, including, but not limited to:

- a. The right, in the exercise of sole discretion, to reject any and all bids/proposals, waive any and all informalities and/or to negotiate contract terms with the successful bidder/vendor;
- b. The right, in the exercise of sole discretion, to disregard all nonconforming, nonresponsive, unbalanced or conditional bids/proposals;

- c. The right, in the exercise of sole discretion, to evaluate the qualifications of the bidders/vendors, whether or not the bids comply with the prescribed requirements, and alternatives and unit prices if requested in the bid/proposal forms;
- d. The right, in the exercise of sole discretion, to consider the qualifications and experience of subcontractors and other organizations (including those who are to furnish items of material or equipment), or to evaluate operation costs, maintenance considerations, performance data and guarantees of materials and/or equipment.
- e. To conduct such investigation as is deemed, in the exercise of sole discretion, necessary to assist in the evaluation of any bid/proposal and/or to establish the responsibility, qualifications and financial ability of the bidders/vendors, proposed subcontractors and other persons or organizations to do the work in accord with the contract documents to the owners satisfaction and/or within the prescribed time.
- f. The right, in the exercise of sole discretion, to reject the bid/proposal of any bidder/vendor who does not pass any such evaluation to the owners satisfaction;
- g. The right, in the exercise of sole discretion, to reject all bids and suspend, discontinue or abandon the project/purchase, rebid the project/purchase, or change or amend the requirements of the project/purchase.

BE IT FURTHER RESOLVED, that the Purchasing Department shall include in formal Request for Bids and Proposals language pertaining to the provisions of this policy.

**BE IT FURTHER RESOLVED, that the policy contained in this resolution shall be reviewed by the County Controller no later than December 2006, and that the Controller make a recommendation on any policy changes needed.**

BE IT FURTHER RESOLVED, that the County Clerk shall send a copy of this resolution to all offices, agencies, and departments of Ingham County.

**COUNTY SERVICES: Yeas: Celentino, Copedge, De Leon, Schor, Vickers, Severino  
Nays: None Absent: None Approved**

**2/15/05**

**FINANCE: Yeas: Dedden, Swope, Hertel, Schor, Thomas, Dougan  
Nays: None Absent: None Approved 2/16/05**