

## LOCAL BIDDER PREFERENCE POLICY

As amended by Municipal Order No. 2013-172 and as incorporated in the City of Bowling Green, Kentucky Manual of Purchasing Policies and Procedures.

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2-8 Formal Bids – Purchases over \$20,000

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(B) Formal Bid Procedures: Formal bids are published by the Purchasing Agent with direct assistance from the using departments in the preparation of technical specifications, plans, bid documents and drawings where required. The following steps are to be followed:

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(6) Local Preference. The Model Procurement Code is supplemented to authorize a local preference in bidding as set out below:

(a) Definitions:

“Local Business Entity” shall mean any person, corporation, limited liability company, partnership or other business entity complying with the following:

- i. The business entity must be registered to do business in the City and have an established physical place of business within the city limits of Bowling Green; and,
- ii. The location of the business must be properly zoned and shall not be a post office address; and,
- iii. The business entity must not have any delinquent property taxes, net profit fees or occupational withholdings owed to the City or have any outstanding liens or fines due to the City; and,
- iv. The business entity must have paid property taxes, net profit fees or employee withholdings to the City during the previous fiscal year in a total amount not less than \$2,500.

(b) Certification of Local Business Entity Status:

It shall be the responsibility of the local business entity to certify eligibility for local preference status in writing at the time any bid is submitted, if local preference is applicable. No preference shall be granted if this certification is not provided or City staff is unable to confirm eligibility.

(c) Applicability of the Local Preference:

The Local Preference shall only be applicable to bids solicited and accepted by the City of Bowling Green that:

- i. Involve the purchase of goods such as office supplies, equipment, vehicles, clothing, printed materials and similar items in which price is the sole criteria; and,
- ii. The bid award amount is \$20,000 or greater.

- (d) The Local Preference shall not be applicable to bids accepted by the City of Bowling Green that:
  - i. Involve federal funds or other funds that prohibit the use of local preferences; or,
  - ii. The bid is awarded pursuant to the State Pricing Contract or cooperative purchasing agreements; or,
  - iii. Emergency purchases; or,
  - iv. Bids in which a preference has already been applied pursuant to any Commonwealth of Kentucky bidding regulations; or,
  - v. Bids accepted by the City of Bowling Green that include evaluation criteria in addition to price, i.e. evaluated bids.
- (e) Local Preference:
  - i. The City of Bowling Green grants to local business entities, who are a responsive and responsible bidder for applicable bids, a local bidding preference of the local business entity's bid at the percentage level set out in the table below. The local preference shall not exceed the maximum allowed amount (over the amount of the lowest responsible bidder), as further set out in the table below.

Bid Item Pricing Range		% Preference Allowed	Max. Pref. Amount Allowed
Low	High		
\$ 20,000.00	\$ 30,000.00	3.25%	\$ 975.00
\$ 30,001.00	\$ 50,000.00	3.00%	\$1,500.00
\$ 50,001.00	\$ 75,000.00	2.75%	\$2,062.50
\$ 75,001.00	\$105,000.00	2.50%	\$2,625.00
\$105,001.00	\$140,000.00	2.25%	\$3,150.00
\$140,001.00	\$180,000.00	2.00%	\$3,600.00
\$180,001.00	\$225,000.00	1.75%	\$3,937.50
\$225,001.00		1.50%	\$4,125.00

- ii. If all aspects of a responsible bid from a local business entity are equal to the responsible bid from a non-local business entity, the local business entity shall be preferred. The local bidding preference is available only if the bid is awarded to the local business entity at the local address. The City's Procurement Office is authorized to develop appropriate procedures and forms to carry out the intent of this section with such procedures and forms approved by the City Manager. The local preference may be waived upon written justification and recommendation of the City Manager and approval of the Board of Commissioners.

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