

Policy Title	LOCAL PREFERENCE POLICY
ORIGINAL ISSUE DATE	September 3, 2010

PURPOSE

In recognition of the responsibility to promote local economic development, the County of Humboldt hereby adopts a policy to grant a five percent (5%) Preference Credit to Locally Operated Businesses when the County Purchasing Agent is evaluating Formal Bids for supplies, goods, materials, furnishings and other personal property (all defined terms used herein having the meanings set forth in the Definitions Section below).

DEFINITIONS

- A. “Locally Operated Business” – A legally formed and operated business, including but not limited to a sole proprietorship, partnership, or corporation, which has a Legitimate Business Presence in the County. In addition, the business must meet the criteria as set forth in subsections (1) through (5) below:
 - (1) Must hold a valid seller’s permit issued by the State Board of Equalization and a valid business license issued by the County and/or an incorporated city within the County; and
 - (2) Must have been in operation, transacting business in the County, for a minimum of six (6) months prior to publication of the call for Formal Bids; and
 - (3) Must not be delinquent in the payment of any taxes, charges or assessments owing to the County; and
 - (4) If subcontractors are used, must only use subcontractors who meet the criteria of (1), (2), and (3); and
 - (5) Must have requested, completed, returned, and satisfied the requirements of a Locally Operated Business Affidavit of Eligibility.

- B. “Formal Bid” – An offer or proposal for providing goods and/or services submitted in response to the County’s formal solicitation through an Invitation to Bid, or similar published solicitation. Does not include a response to a Request for Proposal, Request for Information or any similar solicitation evaluated other than on the basis of cost.

- C. “County” – The County of Humboldt.

- D. “Local Business Preference Affidavit of Eligibility” – An affidavit to be completed by a Locally Operated Business (in the form of Exhibit A) in applying for a Preference Credit.
- E. “Legitimate Business Presence” – The existence of one or more physical locations in the County whereat business is conducted and which is staffed by at least one (1) full-time employee or owner/operator.
- F. “Preference Credit” – Shall mean that in considering bids by a Locally Operated Business, the County shall reduce any such bid amount by five percent (5%) when comparing any such bid amount to other bidders who are not a Locally Operated Business, provided that the amount of the Preference Credit shall not exceed five thousand dollars (\$5,000).

POLICY

It shall be the policy of the County to support local economic development by the creation and implementation of a Local Business Preference policy.

- A. Businesses meeting the definition of a Locally Operated Business will be given the option on Formal Bids to obtain a Preference Credit.
- B. The Locally Operated Business must complete, return, and satisfy the requirements of, the Local Business Preference Affidavit of Eligibility and supply a copy of a current, valid business license with the County and/or an incorporated city within the County. Any person, firm, corporation or entity intentionally submitting false information to the County in an attempt to qualify for Local Business Preference shall be prohibited from bidding on County products for a period of one (1) year.
- C. Locally Operated Businesses, which meet the criteria as such, will be given the Preference Credit.
- D. The Preference Credit will only apply to the acquisition of materials, equipment and supplies through a Formal Bid.
- E. Exclusions to the Local Business Preference Policy include: any contracts where State or any superseding law renders the Preference null and void; service contracts (a contract in which the contractor provides a duty or labor, as opposed to commodities or goods); bids which combine professional services with hardware purchases; and agreements awarded by the Public Works Department.
- F. The Purchasing Agent shall coordinate the implementation of this policy.
- G. The Purchasing Agent is not responsible for a Local Business’s failure to request, return or meet the requirements of a Local Business Preference Affidavit of Eligibility.