

Standard Operating Procedure –FIN-1900.442 Name : Local Preference Policy	Corresponding Requirements:	
Prepared By: Finance Department	Revision #: Revision Date:	
Approved By: Board Approval 3/1 Signature:	Effective Date: 7/13/11	
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Standard Operation Procedures

Local Preference Policy

1.0 Purpose

The purpose of this policy is to show support to local businesses. The Local Preference Policy will only apply to certain purchases and services. Purchases and contracts covered by NC General Statutes will not be included in the policy.

2.0 NC General Statutes

Local Governments do not have statutory authority to use a local preference policy for contracts covered under NC G.S. 143-129 for formal projects and 143-131 for informal projects. They must follow the competitive bidding processes outlined in the statutes and are bound by the "lowest responsible bidder" standard. The following types of contracts are covered under the statutes:

Informal Bids: G.S. 143-131²

Construction and Repair Contracts - \$30,000 - \$500,000 in value

Purchases - \$30,000 -\$90,000 in value

Formal Bids: G.S. 143-129²

Construction and Repair Contracts - \$500,000 and up

Purchases: \$90,000 and up

Engineering, Architectural, Surveying and Construction Manager at risk G.S. 143-64.31²

Please see Engineering Policy for information on this item

3.0 Local Preference Contracts

The Local Preference Policy will apply to: Service Contracts not specifically addressed by NC General Statutes Construction Contracts under \$30,000 Purchases \$5,000 -\$30,000

4.0 Goal of Policy

The Goal of the Policy is to show support to local businesses.

5.0 Definition of Local

In order for a vendor to be considered local:

- 1. Vendor must operate a physical office within New Hanover County
- 2. The business shall have been located in New Hanover County for at least 90 days.

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- 3. At least 50% of the work must be performed by individuals whose primary employment location is the New Hanover County office.
- 4. The vendor must sign an affidavit that indicates their compliance with the above three criteria.

6.0 Strategy - Price Match

The lowest local vendor will be given the opportunity to match the lowest non-local bid if they are within 5% of the lowest non-local bid. This will only apply to those contracts and purchases defined in Section 3.0.

7.0 Solicitation

Staff will make an effort to contact at least one local vendor per bid and quote under Section 3.0. However, it should be noted that some items purchased by the Authority cannot be purchased locally. Also the staff will continue to get the best price and value and this may mean buying from non-local vendors.

1.0 Deviations from this procedure must be documented by completing a Corrective / Preventative Action Form EMS-0005.453A

2.0 Revision History:

Revision		C/PAR#	Reason for Revision	Description of Revision
Date	#	C/PAR#	Reason for Revision	Description of Revision
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