

## LOCAL PREFERENCE POLICY

### *Purpose:*

The purpose of this policy is to establish a 5% local preference policy. The 5% policy may be applied to all purchases under \$50,000.

### *Policy:*

Pursuant to the Kenai Peninsula Borough (KPB) Code of Ordinances section 5.28.400 and the 1999 policy letter, it is the policy of the Kenai Peninsula Borough to provide a preference to local businesses. For the purpose of this policy, a local business is defined as: any business or company having physical presence within the Borough, registered within the Borough to collect sales tax, and locally provides the products and/or services being sought.

### Example Calculation:

Local bid	\$10,000
Non-local bid	\$10,000
Applying 5% x \$10,000	\$ (500)
Adjusted local bid	\$ 9,500

The adjusted local bid is less than the bid of the non-local business; therefore, the bid may be awarded to the local vendor.