

Preference Awards:

The City of Mobile awards contracts to the lowest responsible bidders in competitive bidding processes prescribed by Alabama law. Section 41-16-50 of Alabama Code allows the City to establish competitive bid preferences for local businesses and certain other types of Alabama businesses. Here's how these preferences work:

1. The Competitive Bid Law applies to the expenditure of funds for labor, services, work, for the purchase of personal property with at value of \$15,000 or more, and for the lease of personal property where the terms of the lease require payment of \$15,000 or more.
2. State law authorizes local preferences for acquisitions under the Competitive Bid Law. Local preferences do not apply to contracts for improvements to public property under the Public Works Law.
3. Resident Responsible Bidders- The City may award a bid to a responsible bidder with a place of business within the City or its police jurisdiction if the bid is no more than 5% more than the lowest responsible bidder. The City may apply the 5% preference when the apparent lowest responsible bidder is located anywhere outside the City or its police jurisdiction.
4. Foreign Entities- A foreign entity is a business that does not have a place of business within the State.
5. Preference for Resident Responsible Bidders against Foreign Entities- The City may award a bid to a responsible bidder with a place of business within the city or its police jurisdiction if the bid is not more than 10% more than the apparent lowest responsible bid submitted by a Foreign Entity.
6. Preference for Disadvantaged Businesses- The City may award a bid to a "qualifying" responsible bidder with a place of business anywhere in the State if the bid is not more than 10% more than the apparent lowest responsible bid from a Foreign Entity. For purposes of this preference, a "qualifying" responsible bidder is: (1) a woman-owned enterprise; (2) an enterprise of small business, as defined in Section 25-10-3; (3) a minority owned business enterprise; (4) a veteran-owned business enterprise; or (5) a disadvantaged-owned business enterprise.

Please note that the City is not allowed to use these preferences to award contracts for improvements to public property under the Public Works Law. For those contracts, the City may only award the contract to the lowest responsible bidder, and cannot show preference to local or disadvantaged businesses.

Summary of Preferences:

Local business has a 5% price preference over a lowest bidder that has a place of business in Alabama but not local to the City.

Local business has a 10% price preference over a lowest bidder that does not have a place of business anywhere in Alabama.

A small, woman-owned; minority-owned; veteran-owned; or disadvantaged owned business, that has a place of business in Alabama, has a 10% preference over a lowest bidder that does not have a place of business in Alabama.

City Discretion:

The City has the sole discretion whether to apply these preferences to a particular bid award, and to determine whether a responsible bidder meets the preference categories described above.

“Place of Business”:

The City considers a “place of business” to be a specific location actually occupied, either continually or on a regular basis, by the owner or someone in the owner’s employment. It should be a place where the public can engage in commercial transactions, or regular, routine operations are conducted by employees in furtherance of the business enterprise. An occasional use or occupation of a place for business purposes is not sufficient to constitute a place of business. Mere unimproved pieces of property used simply for storage, or locations that serve purposes primarily other than that single entity’s “place of business,” such as an individual’s home or residence, or an agent’s or attorney’s office who may represent multiple parties out of that specific location, do not qualify as a “place of business” for these purposes.

“Owned” means 51% or greater active ownership by a person or persons of the designated preference category.

Questions to be answered by all vendors (regardless of whether intending to claim a preference):

1. Do you operate a place of business within the City of Mobile or the City’s police jurisdiction? If so, please describe the nature and location of your business facility here, addressing the factors mentioned above.
2. If you do not have a place of business within the City or the City’s police jurisdiction, do you operate a place of business within the State of Alabama? If so please describe.
3. Should the City consider your business: woman-owned, a small business, minority-owned, veteran-owned, or disadvantaged-owned? If so, please provide any evidence for why the City should consider your business to be characterized in one or more of these categories. Please submit any current certifications you may have relating to these categories.