

POLICY NUMBER	-
POLICY SUBJECT	- Regional Price Preference Policy
DATE ADOPTED	-
POLICY OWNER	- Corporate & Community Services
DISTRIBUTION	- Elected Members, All Employees, Contractors, Goods & Service Providers, Public
RESPONSIBLE OFFICER	- Chief Executive Officer

Objective

The objective of this Policy is to stimulate economic activity and growth within the Shire of Dowerin and the surrounding region by maximising the use of competitive local businesses in the supply of goods and/or services purchased or contracted on behalf of the Shire of Dowerin.

Policy

The application of this Policy will ensure that when purchasing goods and/or services, Council will achieve the best possible outcome for the amount of money spent, whilst, where possible, giving preference to local or regional suppliers.

The application of a price preference will be clearly outlined as to whether it will be applied or not prior to the quotation or Tender process commencing.

This Policy applies to all Officers purchasing goods and/or services on behalf of the Shire using Shire funds. It provides direction and outlines the responsibilities attached to the making of purchases on behalf of the Shire.

This Policy must be used in conjunction with the Shire of Dowerin Purchasing Policy.

Regional Tenderer

A regional Tenderer is defined under Section 24B(2) of the *Local Government (Functions and General) Regulations 1996* as 'A supplier of goods or services who submits a Tender is regarded as being a regional Tenderer if:

- (a) That supplier has been operating a business continuously out of premises in an appropriate region for at least 6 months before the time after which further Tenders cannot be submitted; or
- (b) Some or all of the goods or services are to be supplied from regional sources."

The Shire of Dowerin recognises the following two regions for price preferences:

Region 1- defined as a business or industry located within the district of the Shire of Dowerin; and

Region 2 - defined as a business or industry located within the districts of the Shire of Cunderdin, Shire of Goomalling, Shire of Koorda, Shire of Wongan-Ballidu and Shire of Wyalkatchem.

The Regional Price Preference to be given to either a Region 1 or Region 2 provider are outlined below and represents the amount at which the provider's price bids or quotations would be reduced for the purpose of assessing Tenders or quotations.

Region 1: A price preference may be given to a Tenderer or supplier of a quotation from Region 1 by assessing the Tender or quote from that local business as if the price bids were reduced as follows:

1. 10% - where the contract is for goods or services, up to a maximum price reduction of \$50,000;
2. 5% - where the contract is for construction (building) services, up to a maximum price reduction of \$50,000; or
3. 10% - where the contract is for goods or services (including construction (building) services), up to a maximum price reduction of \$500,000, if the local government is seeking Tenders for the provision of those goods or services for the first time, due to those goods or services having been, until then, undertaken by the local government.

Region 2: A price preference may be given to a Tenderer or supplier of a quotation from Region 2 by assessing the Tender or quote from that local business as if the price bids were reduced as follows:

1. 5% - where the contract is for goods or services, up to a maximum price reduction of \$25,000;
2. 2.5% - where the contract is for construction (building) services, up to a maximum price reduction of \$25,000; or
3. 5% - where the contract is for goods or services (including construction (building) services), up to a maximum price reduction of \$250,000, if the local government is seeking Tenders for the provision of those goods or services for the first time, due to those goods or services having been, until then, undertaken by the local government.

Although goods and/or services that form part of a Tender or quotation submitted by a regional Tenderer may be:

1. Wholly supplied from regional sources; or
2. Partly supplied from regional sources, and partly supplied from non-regional sources,

only those goods or services identified in the Tender or quotation as being from regional sources may be included in the discounted calculations that form part of the assessments of Tenders or quotations when the Regional Price Preference Policy is in operation.

Proof of Eligibility

Businesses who choose to claim the Regional Price Preference must indicate on their Tender or quotation submission either Region 1 or Region 2 as their Regional Price Preference area and provide suitable proof of eligibility.

Where a price preference is being claimed by a non-local business on the basis of goods and/or services being supplied from regional sources, only those goods or services identified in the Tender or quotation as being from regional sources may be included in the discounted calculations that form a part of the assessments of a Tender or quotation when a Regional Price Preference Policy is in operation.

If, in the opinion of the Shire of Dowerin, a supplier has deliberately provided false or misleading information so as to benefit from this Policy, the provided quotation or Tender may be considered nonconforming and, as such, may be disqualified.

Competitive Purchasing

Price is only one factor that the Shire of Dowerin considers when evaluating a quotation or Tender. There is nothing contained within this policy that compels acceptance of the lowest price.

The Tender or quotation that is determined to be both cost effective and advantageous to the Shire of Dowerin will be the most likely to be accepted.

Further References

Local Government Act 1995;
Local Government (Functions & General) Regulations 1996;
Shire of Dowerin Purchasing Policy; and
Shire of Dowerin Code of Conduct.