A12 PROCUREMENT – REGIONAL PRICE PREFERENCE

Administration

1. PREAMBLE

2. To provide for a price preference framework for the purchase of goods and services from local Shire of Halls Creek businesses, companies and suppliers.

3. OBJECTIVE

4. The policy aims to deliver a higher-than-average take-up of local supply, by detailing the extent of consideration the local suppliers will receive as opposed to non-local supply.

5. POLICY

6. The Shire of Halls Creek will provide businesses, companies and suppliers the opportunity to compete for Shire business with a competitive advantage on price whilst the primary principles of value for money purchasing would apply also.

7. The Shire will determine the systems, procedures and requirements that compliment this aim of maximising local purchasing, and when direct comparison to locally supplied goods and services is required, the competitive pricing arrangements detailed in this policy will apply.

8. When officers seek a quotation or tender bids for the purchase goods or services, quotes and tenders must be sought from businesses (if in existence) who could provide the goods or services required which are located within the Shire of Halls Creek.

9. Goods and services can only be compared like for like, need for need, delivered in Halls Creek at the same or similar timeframes. In all cases where Regional Sources supply versus non- Regional Sources supply comparatives is not favourable with value for money principles, staff must detail the variances indicating why alternatives were chosen.

10. "Regional Sources" for the purposes of this Policy are "goods or services which are located within the Shire of Halls Creek"

11. "A Regional Tenderer" for the purposes of this policy is;
    a. A supplier of goods or services who submits a tender and;
        (a) The supplier has been operating a business continuously out of premises in the 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.

12. A Supplier who wishes to claim status as a Regional Supplier must as part of their tender;

13. Provide evidence that;
    a. the supplier has been operating a business continuously out of premises in the appropriate region for at least 6 months before the time after which further tenders cannot be submitted; or
    b. Which of the goods or services are to be supplied from regional sources and what proportion (as a dollar figure) of the overall tender bid will be sourced from regional sources.

14. Nothing in this Policy overrides or prevents the full application of the Shire of Halls Creek Procurement policy and practice including specifically designed quote or tender procurement plan requirements.

Requests for Quotations and Tenders – Regional Price Preference

15. A Regional Price Preference will be provided to Regional Suppliers during the quote or tender bid evaluation stage.

What is a Regional Price Preference?

16. A Regional Price Preference is when evaluating quote or tender bids, the bids of Regional Suppliers are evaluated as if the bid was discounted in accordance with the below criteria;
    a. Up to 10% - where the contract is for goods and services, up to a maximum reduction of $50,000 on total cost ex GST.
    b. Up to 5%-where the contract is for construction (building) services, up to a maximum price reduction of $50,000 ex GST, or
    c. Up to 10% where the contract is for services (including construction services), up to a maximum price reduction of $500,000 ex GST if the Local Government is seeking tenders for the first time, due to the services previously being undertaken by the Shire of Halls Creek.

17. The supply of goods comparison conducted by staff if sourced from a Halls Creek supplier will include a freight component, based on known regional freight costs.

18. Only those goods or services identified in the tender as being from regional sources may be included in the discounted calculations that form a part of the assessments of a tender under this policy. This may be all or part of the tender bid.

19. A copy of this policy must be sent to all potential suppliers with each Request for Quotation or Request for Tender documentation.

20. The Regional Price Preference Policy will apply to all quotes and tenders unless otherwise resolved by Council and information that outlines the power of the Council to make that decision is to be included in the Quote or Tender advertising and procurement plan. (i.e., Regional Price Preference policy applies and the lowest or any Tender not necessarily accepted).

HEAD OF POWER: *Local Government Act 1995, Regulations 24A to 24D of the Local Government (Function and General) Regulations 1996*.

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