



A12 PROCUREMENT – REGIONAL PRICE PREFERENCE

Administration

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

OBJECTIVE: 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.

POLICY:

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.

The Shire will determine the requirements of each purchase with the 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.

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 local supply versus non-local supply comparatives is not favourable with value for money principles, staff must detail the variances indicating why alternatives were chosen.

In terms of definition; local versus non-local can be determined from the originating source of the goods or service supply, as opposed to the Shire of Halls Creek based supplier of such goods and service.

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.

PRACTICE:

General Purchasing (other than Tenders)

When officers seek quotations or purchase goods or services, quotes must be obtained from businesses (if in existence) that could provide the goods or services required that are located within the Shire of Halls Creek.

Tenders – Regional Price Preference

That a Regional Price Preference will be provided to businesses operating within the boundary of the Shire of Halls Creek for all goods and services in accordance with Regulation 24D of the Local Government (Function and General) Regulations 1996.

- Up to 10%-where the contract is for goods and services, up to a maximum reduction of \$50,000 on total cost ex GST.
- Up to 5%-where the contract is for construction (building) services, up to a maximum price reduction of \$50,000 ex GST, or
- Up to 10% where the contract is for goods or 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 goods or services previously being undertaken by the Shire of Halls Creek.



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.

A copy of this policy must be supplied with each Request for Quotation or Request for Tender documentation.

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, Regulation 24D of the Local Government (Function and General) Regulations 1996.

Note: Regional Price Preference Policy was advertised in the (Newspaper) in (Date) in accordance with the requirements of the Local Government Act 1995 and formally adopted by the Shire of Halls Creek resolution (Resolution Number).

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Responsible Department	Corporate Services
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