

REGIONAL PRICE PREFERENCE POLICY

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1. OBJECTIVE

To promote local business partnerships within the Shire of Roebourne by giving preferential consideration to regional ~~local~~ suppliers in the procurement ~~when considering the provision of~~ goods and or services.

1.1 Definitions

In this policy the following words have the following meanings:

Local Industry is a business within the Shire of Roebourne which conforms to the definition of a 'regional tenderer' under the Local Government (Functions and General) Regulations 1996

Price Preference is defined as the willingness to pay a higher price for the procurement of goods and/or services that are supplied by a 'regional tenderer'

Regional Tenderer is a supplier that has been operating a business continuously out of premises within the Shire of Roebourne for at least six (6) months and submits a tender for the supply of goods and/or services

2. PRINCIPLES

The Shire of Roebourne will encourage local industry to do business with Council ~~by providing incentive~~ through the adoption of a regional price preference advantage in conjunction with standard tender considerations. The price preference will apply to the provision of all goods and/or services via tender, with a regional component., ~~where tender amounts exceed \$100,000.~~

2.1. Local Preference

~~The calculation of the regional price preference (in accordance with the Act) is as follows:~~

~~A preference may~~will be given to a regional tenderer by assessing the tender submission as if the price bids were reduced by:

- a) 10% (up to a maximum price reduction of \$50,000) for goods and/or services; ~~or~~
- b) 5% (up to a maximum price reduction of \$50,000) for construction (building) services; or
- c) 10% (up to a maximum price reduction of \$500,000) for goods and/or services (including construction (building) services) if tenders are being sought for the first time for goods or services currently undertaken by Council.

2.2. Local Regional Content

The goods and/or services identified in a tender submitted by a regional tenderer may be:

- a) wholly supplied from regional sources; or
- b) partly supplied from regional sources and partly from non-regional sources,

however, only those goods and/or services identified in the tender as being from regional sources can be included in the discounted calculations.

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2.1-2.3. Competitive Purchasing

Whilst price is a competitive consideration in the provision of goods and/or services via tender, it is only one aspect of the tender evaluation process. Value for money principles, as described within CF-6 Purchasing Policy and the Purchasing Guidelines, will be employed by assessing the price component in conjunction with the tender selection criteria and requirements.

The tender that is determined to be both cost effective and advantageous to the Shire of Roebourne will be the most likely to be accepted.

For the purchase of goods and/or services outside of the tender process, consideration should be given to Council's desire to purchase from local suppliers, where possible. The decision to purchase from a local supplier is to be left to the responsible officer's judgement, ensuring that the Shire's policies and guidelines are observed.

Definitions

~~Local industry" is defined in this policy as being a business within the Shire of Roebourne which conforms with the definition of a "regional tenderer" under the WA Legislation of Local Government (Functions & General) Regulations 1996.~~

~~A "regional tenderer" includes a business that has been operating continuously out of premises within the Shire of Roebourne for at least 6 months and submits a tender for the supply of goods and services.~~

3. CONSEQUENCES

This policy represents the formal policy and expected standards of the Shire. Appropriate approvals need to be obtained prior to any deviation from the policy. It is imperative that Councillors and Officers retain the appropriate documentation to substantiate their deviation, expenditure. Elected Members and Employees are reminded of their obligations under the Shire's Code of Conduct ~~2011~~ to give full effect to the lawful policies, decisions and practices of the Shire.

4. ROLES AND RESPONSIBILITIES

~~The purchase of all other goods and services under \$100,000 to be left to the responsible officer's judgement having regard to Council's desire to, where possible, purchase from local suppliers.~~

Employees will use a competitive market for their local tender requirements to encourage economic growth and local business partnerships where it is practical and reasonable to do so.

Employees are to ensure that the application of a regional price preference is clearly identified within the tender documents to which the preference is to be applied and that this policy is made available to tenderers.

5. REFERENCES TO RELATED DOCUMENTS

- ~~Not Applicable~~ CF-6 Purchasing Policy

- Shire of Roebourne Purchasing Guidelines
- Shire of Roebourne Code of Conduct
- Local Government (Functions and General) Regulations 1996

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Responsible Officer:	Executive Manager Corporate Services <u>Manager Governance and Organisational Strategy</u>

This Policy takes effect from the date of adoption by Council and shall remain valid until it is amended or deleted.