

F4. Regional Price Preference Policy

Policy Objective

To establish the guidelines to promote local business partnerships within the Shire by giving preferential consideration to regional suppliers in the procurement of goods and/or services via tender or formal quotation.

Definitions

Local Business: in this policy is a regional tenderer as defined in the *Local Government (Functions and General) Regulations 1996 Part 4a 24(b)*.

Regional Tenderer means a supplier of goods or services who satisfies the criteria in subregulation (2).

(2) A supplier of goods or services who submits a tender is regarded as being a regional tenderer for the purposes of this Part if —

(a) that 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.

Region: is specified as the geographical area which comprises:

Zone 1 is the Shire of Dundas

Zone 2 includes the Shires comprising GVROC namely Ravensthorpe, Coolgardie, Esperance, Menzies, Laverton, Leonora, Wiluna, Ngaanyatjarraku and the City of Kalgoorlie-Boulder.

Regional Price Preference: when applied in relation to a quotation or tender submitted by an eligible local business, involves assessing the price component of the tender or quotation as if the tendered / quoted price were discounted in accordance with the Regional Price Preference Policy.

Policy Statement

The Shire of Dundas will encourage local industry to do business with the Council through the adoption of a regional price preference advantage in conjunction with standard tender and quotation considerations. This policy will apply to all Shire of Dundas tenders and quotations where prices are being sought from both local and non-local businesses.

Price Preference Levels:

A price preference may be given to a local business by assessing the tender from that local business as if the price bids were reduced by the values set out in the *Local Government (Functions and General) Regulations 1996 Part 4a 24(D).1*

(1) A preference may be given to a regional tenderer by assessing the tender from that regional tenderer as if the price bids were reduced by —

(a) up to 10% — where the contract is for goods or services, up to a maximum price reduction of \$50,000; or

(b) up to 5% — where the contract is for construction (building) services, up to a maximum price reduction of \$50,000; or

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- (c) up to 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.

The Council may determine a variation in the percentage of the price preference depending on the zone within the region where the tenderer/ local business is located or operating.

Proof of eligibility:

Businesses who claim the regional price preference should indicate on their tender or quotation submission that they wish to claim the regional price preference and on which criteria they wish to claim it. Suitable proof of eligibility should be provided.

Where a price preference is being claimed by non-local business on the basis of goods or services being supplied from regional sources (regional content) 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 Dundas, a supplier has deliberately provided false or misleading information so as to benefit from this policy, their quotation or tender may be considered non-conforming and, as such, may be disqualified.

Support Local Suppliers

Before entering into a contract for the purchase of goods and services the Shire shall, give preference to a local supplier where their bid is deemed to be competitive within the guidelines of this policy.

The Council has adopted a regional price preference for the provision of goods and services from regional suppliers as follows:

Service	Regional Business / Regional Content	
	Zone 1	Zone 2
Goods and Services	10%	5%
Building Construction	5%	2.5%

Where a non-regional supplier can demonstrate that they will utilise some local contractors or suppliers in the provision of good or services (local content), the Council will give some price preference to the supplier as outlined above in *table*.

Competitive Purchasing:

Price is only one factor that the Shire of Dundas 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 Dundas will be the most likely to be accepted.

Consequences:

This policy represents the expected procurement standards of the Shire of Dundas. Elected members and employees are reminded of their obligations under the Council’s code of conduct to give full effect to the lawful policies, decisions and practices of the Shire.

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Roles and Responsibilities:

Employees will use the local market for their procurement 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 and quotation documents to which the preference is to be applied and that this policy is made available to businesses as part of the quotation or tender.

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