

Council Policy Name: Regional Price Preference

Responsible Directorate: Finance and Corporate Services

Version: Current

## 1. PURPOSE

- 1.1. Part 4A of the Regulations enables a local government located outside of the metropolitan area to give a regional price preference when assessing a tender. Any price preference must comply with the Regulations, including that a Policy must be adopted, following a period of State-wide advertising.
- 1.2. The purpose of this Policy is to promote, under the Regulations, local economic development through the provision of a price preference allowance to Local Suppliers when evaluating and awarding contracts under a tender process

## 2. SCOPE

- 2.1. This Policy is applicable to all tenders invited by the City of Busselton

## 3. DEFINITIONS

Term	Meaning
Local Supplier	a supplier who has had for more than 6 months prior to the closing date of the tender a physical presence by way of a shop, depot, outlet, headquarters or other premises from which they operate within the City of Busselton district.
Policy	this City of Busselton Council Policy entitled "Regional Price Preference"
Regulations	the <i>Local Government (Functions and General) Regulations 1996</i>

## 4. STRATEGIC CONTEXT

- 4.1. This Policy links to Key Goal Area 4 of the City's Strategic Community Plan 2017 and specifically the Community Objective 4.2: A community where local business is supported and in turn drives our economy

## 5. POLICY STATEMENT

- 5.1. The following price preference allowance will be applied on the value of tendered goods and services sourced from a Local Supplier.
  - a. Goods and Services – 10 per cent allowance up to a maximum price reduction of \$50,000;
  - b. Construction (building) Services – 5 per cent allowance up to a maximum price reduction of \$50,000;
  - c. Goods and services, including Construction (building) Services, tendered for the first time where Council previously supplied the Goods or Services – 10 per cent allowance up to a maximum price reduction of \$500,000.
- 5.2. Only where the management or delivery of the majority of the tendered goods and services will be carried out from the Local Supplier's premises will the price preference apply.

- 5.3. The value of those goods and services claimed by the supplier may be adjusted during the tender assessment process if the value claimed is considered unreasonable or cannot be justified.
- 5.4. Price is only one factor that Council considers when evaluating a tender. There is nothing contained within this Policy that compels Council to accept the lowest tender or any tender based on price offered

**6. RELATED DOCUMENTATION / LEGISLATION**

6.1. *Local Government (Functions and General) Regulations 1996*

**7. REVIEW DETAILS**

<b>Review Frequency</b>		3 yearly		
<b>Council Adoption</b>	<b>DATE</b>	10 October 2018	<b>Resolution #</b>	C1810/201
<b>Previous Adoption</b>	<b>DATE</b>	8 November 2017	<b>Resolution #</b>	C1708/192