

# Council Policy

**Council Policy Name:** Regional Price Preference

**Responsible Directorate:** Finance and Corporate Services

**Version:** Adopted

## 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 titled "Regional Price Preference"
Regulations	the <i>Local Government (Functions and General) Regulations 1996</i>

## 4. STRATEGIC CONTEXT

- 4.1. This Policy links to Strategic Theme 3. – OPPORTUNITY - A vibrant City with diverse opportunities and a prosperous economy, of the City's Strategic Community Plan June 2021 and specifically the following Strategic Priority:
  - a. 3.2 Facilitate an innovative and diversified economy that supports local enterprise, business investment and employment growth.

## 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

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