

Policy Number 1.06 Regional Price Preference

Legislative Reference: Local Government (Functions and General) Regulations

1996: Part 4 Relates to: Delegation 1.13 Sub Delegation 1.13a

Policy Objective:

The purpose of this policy is to maximise the use of competitive locally based businesses in the provision of goods or services purchased or contracted by the Shire of Coolgardie.

Policy Scope:

The scope of this policy is to obtain value in the purchase of goods and services whilst providing an opportunity for locally based businesses to be competitive in the process.

Policy Statement:

In order to promote sub-regional development and encourage the use of local suppliers and / or materials, the Shire of Coolgardie will provide a price preference to regional suppliers (located within the stipulated areas) when evaluating and awarding contracts via the Tendering Process. Note that this policy does not apply to quotations. Any price preference provided will comply with Part 4A of the Local Government (Functions and General) Regulations 1996 as amended.

Policy Details

Price preference will be given to all regional suppliers claiming Regional Price Preference when they submit a conforming tender for the supply of goods and services (including construction (building) services) to the Shire of Coolgardie, unless Council resolves that this policy not apply to a particular tender, or the CEO or another employee holding delegated authority to determine tenders decides that this Policy does not apply to a particular tender.

A regional supplier is a supplier of goods and services (including construction (building) services) that have been operating a business continuously out of premises in the stipulated area for at least 6 months before the tender deadline (closing time of tender) or some or all of the good or services are to be supplied from regional sources (i.e. from within the stipulated area).

Only those goods or services identified in the tender as being from regional sources may be included in the discounted calculations that form a part of the assessments of a tender when a regional price preference policy is in operation.

A tenderer must claim the component (the parts that are supplied from the stipulated area) of their tender that Regional Price Preference is to be applied to.

Stipulated Area means:

- for the purposes of the 10% discount on goods and services - the district of the Shire of Coolgardie.
- for the purposes of the 5% discount on goods and services - the districts of the Shire

of Ravensthorpe, Shire of Esperance, Shire of Dundas, City of Kalgoorlie Boulder, Shire of Menzies, Shire of Leonora, Shire of Wiluna, Shire of Laverton and Shire of Ngaanyatjarraku.

- for the purposes of the 5% discount on Construction (Building) Services – the district of the Shire of Coolgardie.
- for the purposes of the 2.5% discount on Construction (Building) Services - the districts of the Shire of Ravensthorpe, Shire of Esperance, Shire of Dundas, City of Kalgoorlie Boulder, Shire of Menzies, Shire of Leonora, Shire of Wiluna, Shire of Laverton and Shire of Ngaanyatjarraku.
- for the purposes of the 10% discount on Goods & Services (including Construction (Building) Services), where those goods or services having been, until then, undertaken by the local government – the district of the Shire of Coolgardie.
- for the purposes of the 5% discount on Goods & Services (including Construction (Building) Services), where those goods or services having been, until then, undertaken by the local government – the districts of the Shire of Ravensthorpe, Shire of Esperance, Shire of Dundas, City of Kalgoorlie Boulder, Shire of Menzies, Shire of Leonora, Shire of Wiluna, Shire of Laverton and Shire of Ngaanyatjarraku.

Regional Price Preference involves assessing the tender as if the tender price were discounted in accordance with the following:

- Goods & Services
 - ✓ 10% discount on the value of supplies up to a maximum discount of \$50,000 (inc GST) where the regional supplier is located within the stipulated area of the district of the Shire of Coolgardie.
 - ✓ 5% discount on the value of supplies up to the maximum discount of \$50,000 (inc GST) where the regional supplier is located within the stipulated area defined by the districts of Shire of Ravensthorpe, Shire of Esperance, Shire of Dundas, City of Kalgoorlie Boulder, Shire of Menzies, Shire of Leonora, Shire of Wiluna, Shire of Laverton and Shire of Ngaanyatjarraku.
- Construction (Building) Services
 - ✓ 5% discount on the value of supplies up to a maximum discount of \$50,000 (inc GST) where the regional supplier is located within the stipulated area of the district of the Shire of Coolgardie.
 - ✓ 2.5% discount on the value of supplies up to the maximum discount of \$50,000 (inc GST) where the regional supplier is located within the stipulated area defined by the districts of Shire of Ravensthorpe, Shire of Esperance, Shire of Dundas, City of Kalgoorlie Boulder, Shire of Menzies, Shire of Leonora, Shire of Wiluna, Shire of Laverton and Shire of Ngaanyatjarraku.
- Goods & Services (including Construction (Building) Services), where those goods or services having been, until then, undertaken by the local government.

- ✓ 10% discount on the value of supplies up to a maximum discount of \$500,000 (inc GST) where the regional supplier is located within the stipulated area of the district of the Shire of Coolgardie.
- ✓ 5% discount on the value of supplies up to the maximum discount of \$500,000 (inc GST) where the regional supplier is located within the stipulated area defined by the districts of Shire of Ravensthorpe, Shire of Esperance, Shire of Dundas, City of Kalgoorlie Boulder, Shire of Menzies, Shire of Leonora, Shire of Wiluna, Shire of Laverton and Shire of Ngaanyatjarraku.

It must be noted that price is only one of the factors to be assessed when the local government decides which tender to accept, and the cheapest or any tender will not necessarily be accepted. Other factors to be considered (but not necessarily limited to) include due diligence, quality of the product, terms of supply including after sales service, freight costs, urgency factors and budget provision.

Responsible Department:

Responsible Officer:

Delegation link (if any): Delegation 1.13 Sub Delegation 1.13a

Date First Adopted: September 2020

Review dates: