

STRATEGIC OUTCOME SUPPORTED: 11 - Strong, visionary leadership

1. OBJECTIVE

- 1.1. To support local and regional business and industry by providing price preference to regional suppliers tendering for contracts with Council.
- 1.2. To ensure that when purchasing goods and services, Council achieves the best possible outcome for the amount of money spent, whilst where possible give preference to local suppliers.

2. SCOPE

- 2.1. This policy applies to all tenders invited by the Shire of Donnybrook Balingup.

3. DEFINITIONS

- 3.1. **Local Tender** shall be deemed to be a tenderer whose business is located within the boundary of the Shire of Donnybrook-Balingup or Boyup Brook.

4. POLICY STATEMENT

- 4.1. Where possible and within reasonable limits set out herein, the Shire of Donnybrook Balingup will support local businesses through the application of this Regional Price Preference Policy.

Local Preference

- 4.2. A preference may be given to a local/regional tender by assessing the tender from the supplier as if the price bids were reduced as outlined. The application of a price preference **MUST** be clearly outlined as to whether it will be applied or not prior to the tender process commencing.
- 4.3. When the supplier is located within the Shire of Donnybrook Balingup:
 - a. Where the total 'net cost' of the lowest submitted tender is between \$5,000 and \$25,000 10% shall be applied to the 'net cost', up to a maximum of \$1,000. If tender relates to Building Services (Construction) 5% will apply.
 - b. Where the total 'net cost' of the lowest submitted tender is between \$25,001 and \$50,000 5% shall be applied to the 'net cost'.
 - c. Where the total 'net cost' of the lowest submitted tender is greater than \$50,001 5% shall be applied to the 'net cost', up to a maximum of \$10,000.
- 4.4. When the supplier is located within the Shire of Boyup Brook, 2.5% shall be applied in all cases.

Local/Regional Content

- 4.5. Although goods or services that form part of a tender submitted by a local/regional tenderer may be:
 - a. Wholly supplied from regional sources; or

COUNCIL POLICY FIN/CP-5 REGIONAL PRICE PREFERENCE



- b. Partly supplied from regional sources, and partly supplied from non-regional sources;
- 4.6. Only those goods or services identified in the tender as being from local/regional sources may be included in the discounted calculations that form part of the assessments of a tender when a regional price preference policy is in operation.
- 4.7. A supplier of goods or services who submits a tender is regarded as being a regional tenderer for the purposes of this part if 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.
- 4.8. Despite the allowed percentage preferences, price is only one of the factors to be assessed when the local government is to decide which of the tenders it determines would be most advantageous to the local government to accept.

5. DELEGATION AND AUTHORISATION

- 5.1. 1.2.19 Application of Regional Price Preference Policy

6. LEGISLATION

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

7. POLICY VERSION

Related Policies:	Purchasing Policy		
Related Procedure:	Nil		
Responsible Department:	Executive Services		
Reviewer:	Corporate Planning & Governance Officer		
Review Frequency:	Biennial	Next Due:	2023
Policy Version Details			
Initial Adoption Date:	9/08/2006	Decision Reference:	N/A
Version Decision Date:	21/12/21	Decision Reference:	213/21
Synergy #:	NPP8066		
Version Synopsis:	<ul style="list-style-type: none"> Removed policy number 2.21 and added new policy ID; and Added new scope; and Updated legislation 		