

Title:	1.3.2 Regional Price Preference (Buy Local) Policy
Previous No:	
File No:	
Statutory Environment:	<i>Local Government (Functions and General) Regulations 1996 Part 4A</i>
Minute No:	8.1.2 062016.OM
Last Updated:	April 2016
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Objective:

To ensure that when purchasing goods and services over \$2,000 the Shire achieves the best possible value for money whilst supporting local businesses and industry and generating economic growth within the Shire.

Policy:

The Local Government (Functions and General) Regulations 1996 provide opportunity for local government to establish a Regional Price Preference.

The Shire of Goomalling recognises that it has a role in the economic development of the local community and is committed to supporting local businesses, provided they are competitive with respect to the quality of their workmanship or product, customer service, delivery and price.

Regional Preference can include any area, but must include the entire district of the local government and cannot include a part of the Metropolitan Area.

The following levels of preference will be applied under this policy:

- Ensure a “Buy Local” culture within the Shire workforce;
- Request quotations from local businesses whenever possible;
- Encourage the use of local businesses in the delivery chain whenever goods, materials and services have to be sourced from outside the Shire; and
- Apply:
 - 10% price preference for all quotations for goods and services over \$2,000 up to a maximum price \$99,999, with a maximum reduction of \$50,000;
 - 5% where the contract is for construction (building) services, up to a maximum price reduction of \$50,000; or
 - 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 and services for the first time, due to those goods or services having been, until then, undertaken by the local government.

- To ensure that this Procedure is consistent with Council's Purchasing Policy 1.3.1.

To be eligible to claim a price preference, a business must have a permanent office and permanent staff in the Shire of Goomalling for a period of at least six months prior to quotations being sought and/or the closing date of the tender and be registered or licensed in Western Australia.

Only those goods and services identified in the tender as being supplied locally will be included in the discounted calculation that forms a part of the assessments of a tender.

A regional price preference applies whenever tenders are called unless the local government resolves otherwise in reference to a particular tender. It should be noted that price is only one factor or criteria when considering tenders. Value for money principals will be used to achieve the best possible outcome for the tender.

If a supplier has concerns about the application of this Policy, this should be taken up in writing with the Chief Executive Officer.