

Shire of Wiluna Policy Manual

REGIONAL PRICE PREFERENCE

Policy 2.7

1 OBJECTIVE

To promote, support and develop local industry within the Shire of Wiluna by giving preferential consideration to regional suppliers in the procurement of goods and/or services through the tender process.

1.1 Definitions

In this policy the following words have the following meanings:

Local Industry is a business within the Shire of Wiluna which conforms to the definition of a 'regional tenderer' under the Local Government (Functions and General) Regulations 1996.

Price Preference is defined as the willingness to pay a higher price for the procurement of goods and/or services that are supplied by a 'regional tenderer'.

Regional Tenderer is a supplier that has been operating a business continuously out of premises within the Shire of Wiluna for at least six (6) months and submits a tender for the supply of goods and/or services.

Region is the area/district within the Shire of Wiluna municipal boundary.

2 PRINCIPLES

The Shire of Wiluna will encourage local industry to do business with the Shire of Wiluna through the adoption of a regional price preference advantage, in conjunction with standard tender considerations. The price preference will apply to the provision of all goods and/or services via tender, with a regional component, unless the local government decides pursuant to Regulation 24G that the policy will not apply to a particular tender.

2.1 Local Preference

A preference will be given to a regional tenderer by assessing the tender submission as if the price bids were as prescribed below:

- a) Goods and/or services reduced by 10%, up to a maximum price reduction of \$50,000;
- b) Construction (building) reduced by 5%, up to a maximum price reduction \$50,000; or
- c) Goods and/or services (including construction (building) services) up to 10% —where the contract is for goods or services, up to a maximum price reduction of \$500 000, if the local government is seeking tenders for the provision of those goods or services for the first time, due to those goods or services having been, until then, undertaken by the local government.

2.2 Local Regional Content

The goods and/or services identified in a tender submitted by a regional tenderer may be:

- a) wholly supplied from regional sources; or
- b) partly supplied from regional sources and partly from non-regional sources,

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However, only those goods and/or services identified in the tender as being from regional sources can be included in the discounted calculations.

2.3 Competitive Purchasing

Whilst price is a competitive consideration in the provision of goods and/or services via tender, it is only one aspect of the tender evaluation process. Value for money principles and the best allocation of resources as discussed within Shire of Wiluna Policy 2.6 Purchase of Goods and Services will be employed by assessing the price component in conjunction with the tender selection criteria and requirements.

The tender that is determined to be overall both cost effective and advantageous to the Shire of Wiluna will be the most likely to be accepted. However, the lowest or any tender is not or will not necessarily be accepted.

Shire of Wiluna Policy 2.6 Purchase of Good and Services applies for the procurement of all goods and/or services.

Document Control	
Responsible Directorate	Office of the CEO
Relevant Section	Corporate
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Category of Goods, Services or Infrastructure works	Performance criteria and standards to be assessed	Local Content percentage required	Percentage by which local procurement cannot exceed total cost of procurement from outside the Shire	Comments
Perishable purchases including but not limited to catering, food, milk and such items	Nil – although suitable/appropriate items that represent value for money are to be acquired	N/A	Nil	LPP does not apply as these goods will generally be purchased locally. In the event that more than one local supplier can supply and prices are comparable, the Shire will ensure purchases are made through all suppliers where possible
Bulk fuel purchases over 5000 litres	Available to supply both the required quantity and quality, but the required time, all as specified by the Shire	N/A	0.5%	Nil
General minor purchases – including but not limited to non- perishable food stuffs, office paper, stationery, cleaning chemicals, printing requirements, minor household items, general office supplies and so on.	Available to supply both the required quantity and quality, but the required time, all as specified by the Shire. Historical performance on past contracts/purchase arrangements	N/A	10%	Nil
Office equipment (major) IT hardware and furniture/fittings	Available to supply both the required quantity and quality, by the requires time, all as specified by the Shire. Servicing and/or support for items purchased locally. Historical performance on past contracts/purchase arrangements	MUST be able to be supplied, serviced and supported locally.	10%	If equipment that can be procured locally cannot be supported and/or serviced locally, then the LPP will not be applied.
Infrastructure works including construction (building)	Available to supply both the required quantity and quality by the required time, all as specified by the Shire. Historical performance on past contracts/purchase arrangements.	50%	Value of Works (ex GST) Up to \$100,000 = 5% of \$10,000 whichever is the lesser \$100,001 to \$760,000 = 5% or \$38,000, whichever is the lesser \$760,001 upwards = 5% or \$50,000, whichever is the lesser	