

## 1.44 REGIONAL PRICE PREFERENCE

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### OBJECTIVE

To support local suppliers whilst seeking value for money in purchasing goods and services with public funds and maximising the limited financial resources available to the Shire of Gingin.

As far as can be achieved whilst complying with the Value for Money provisions of the Shire's Purchasing Policy, the Shire of Gingin will:

- a. Consider buying practices, procedures and specifications that encourage the inclusion of local businesses and the employment of local residents;
- b. Consider indirect benefits that have a flow-on effect for local suppliers (ie, servicing and support); and
- c. Avoid bias in the design and specifications for requests for tender and quotations in order to encourage local businesses to bid.

### DEFINITIONS

Construction (Building): Construction (Building) does not include road construction.

Local Supplier: A supplier who, for more than 6 months prior to the closing date of the tender or quote, has operated a business continuously out of premises in either Region 1 or Region 2.

Region 1: The area encompassed by the boundaries of the Shire of Gingin.

Region 2: The area encompassed by the boundaries of the Shires of Chittering, Dandaragan and Victoria Plains.

Regional Pricing Preference: The amount by which a tender or quotation submitted by a local supplier will be reduced for the purpose of assessing the tender or quotation.

### SCOPE

This policy is applicable to all requests for tender or quotations sought by the Shire of Gingin unless it is determined, prior to a particular request for tender or quotation being issued, that the policy will not apply.

### POLICY

#### 1. Regional Pricing Preferences

The following Regional Pricing Preferences will be applied when considering tenders or quotes received from Local Suppliers.

a. Goods and Services

Region 1: A 10% price preference, to a maximum price reduction of \$50,000 (ex. GST).

Region 2: A 5% price preference, to a maximum price reduction of \$25,000.

b. Construction (Building)

Region 1: A 5% price preference, to a maximum price reduction of \$50,000 (ex. GST).

Region 2: A 2.5% price preference, to a maximum price reduction of \$25,000.

2. Non-Local Suppliers

Where a non-Local Supplier seeks a price preference, only those goods and services identified in the offer as being sourced from within the Region may be included in the discounted calculations that form part of the assessment of a tender or quote when this policy is in operation.

Non-Local Suppliers will be required to clearly identify and separately price locally-sourced components in order for a price preference to be considered.

3. Evaluation of Tenders and Quotations

Price is only one factor that must be considered when evaluating a tender or quotation. Nothing in this Policy compels the Shire to accept the lowest or any tender or quotation based on the price offered.

## GOVERNANCE REFERENCES

<b>Statutory Compliance</b>	<i>Local Government (Functions and General) Regulations 1996 - Part 4A</i>
<b>Industry Compliance</b>	
<b>Organisational Compliance</b>	Policy 3.10 Purchasing Delegation 1.23 Application of Regional Price Preference Policy

## POLICY ADMINISTRATION

<b>Review Cycle</b>	2 years	<b>Next Review</b>	2023
<b>Department</b>	Corporate and Community Services		

<b>Version</b>	<b>Decision Reference</b>	<b>Synopsis</b>
1.	19/10/2021 - Item 13.1.1	Policy adopted