

Regional Price Preference

Policy Objective

To promote the use of competitive local business in the procurement of goods and services, support local business and industry and to encourage employment of local people thereby generating economic growth within the Shire.

Policy Scope

‘Construction (including works)’ performing any improvement on or over any areas of land, lake, river or ocean and any services related to that activity in the prescribed area, including the construction of buildings, housing and other public infrastructure as well as related services such as architectural, surveying, facilities management and general maintenance.

‘Goods’ includes tangible, quantifiable material requirements usually capable of being moved or transported that are purchased, rented, leased or hired by the Shire.

‘Price Preference’ is defined as the willingness to pay a higher price for the procurement of goods or services that are supplied by a ‘regional tenderer’ by assessing their tender as if the price bid was reduced in accordance with Section 1 Price Preference of this Policy.

‘Regional Tenderer’ is a supplier that has been operating a business continuously for at least six (6) months prior to the closing date of tenders sought from a recognised business address within the Shire of Broome.

‘Services or Provision of Services’ means any task, consultancy, work or advice to be performed or provided that is procured by the Shire and includes services such as management consultancies, outsourcing, maintenance contract/agreement, cleaning, waste removal, equipment repairs, external auditors, utilities and services acquired by a private sector provider for the Shire.

Policy Statement

A price preference will apply to all tenders invited by the Shire of Broome for the supply of goods and services and construction (building) services unless Council resolves that this policy does not apply in a particular procurement instance. The provision of a regional price preference will be undertaken in conjunction with standard tender considerations.

1. Price Preference

A preference will be given to a regional tenderer by assessing their tender as if the price bids were reduced by:

- a) 10% (up to a maximum price reduction of \$50,000) for goods or services; or
- b) 5% (up to a maximum price reduction of \$50,000) for construction (building services); or
- c) 10% (up to a maximum price reduction of \$500,000, if tenders are being sought for the first time for goods or services currently undertaken by the Shire.

2. Proof of Eligibility

Regional tenderers that intend to claim a regional price preference under this Policy will be required to submit suitable proof of eligibility with their tender. To be eligible to claim a price preference, regional tenderers must intend to manage/deliver the majority of the contract outcomes from premises within the Region.

If, in the opinion of the Shire, a supplier has deliberately provided false or misleading information so as to benefit from this Policy, their tender may be considered non-conforming and as such may be excluded from evaluation.

3. Conditions

Although the prices for goods and services submitted by a regional contractor/supplier as defined in this policy may be:

- a) wholly supplied from regional sources; or
- b) partly supplied from regional sources and partly from non-regional sources, only those goods or services identified in the tender as being from regional sources may be included in the discounted calculations that form part of the assessment of a tender when this policy is in operation.

4. Competitive Purchasing

Whilst price is a competitive consideration in the provision of goods or services via tender/quotation, it is only one aspect of the evaluation process. Value for money principles, as described within Council's Purchasing Policy, will be employed by assessing the price component in conjunction with the selection criteria and requirements.

The tender that is determined to be both cost effective and advantageous to the Shire will be the most likely to be accepted.