

POLICY: CORP-AP-005

REGIONAL PRICE PREFERENCE / BUY LOCAL

PURPOSE

This policy establishes the guidelines to promote local business partnerships within the City of Kalgoorlie Boulder by giving preferential consideration to regional suppliers in the procurement of goods and/or services via tender or formal quotation.

DEFINITIONS

Quotation: Means a statement from a supplier setting out the cost for the supply of goods or services.

Local Business: in this Policy is a regional tenderer as defined in the Local Government Act (Functions and General) Regulations 1996 Part 4a 24(b).

Regional tenderer means a supplier of goods or services who satisfies the criteria in subregulation (2).

(2) *A supplier of goods or services who submits a tender is regarded as being a regional tenderer for the purposes of this Part if —*

(a) *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; or*

(b) *some or all of the goods or services are to be supplied from regional sources.*

Region: is specified as the geographical area which comprises the whole of the City of Kalgoorlie-Boulder.

Regional Price Preference: when applied in relation to a quotation or tender submitted by an Eligible Local Business, involves assessing the price component of the tender or

quotation as if the tendered / quoted price were discounted in accordance with the Regional Price Preference Policy.

Tender: means a Tender required under Clause 11 of *the Local Government (Function and General) Regulations 1996* or other Tender Procedure as determined by Council.

STATEMENT

The City of Kalgoorlie Boulder will encourage local industry to do business with Council through the adoption of a regional price preference advantage in conjunction with standard tender and quotation considerations. This policy will apply to all City of Kalgoorlie Boulder tenders and quotations where prices are being sought from both local and non-local businesses.

Price Preference Levels:

A price preference may be given to a local business by assessing the tender from that local business as if the price bids were reduced by the values set out in the Local Government Act (Functions and General) Regulations 1996 Part 4a 24(D).1

- (1) *A preference may be given to a regional tenderer by assessing the tender from that regional tenderer as if the price bids were reduced by —*
 - (a) *up to 10% — where the contract is for goods or services, up to a maximum price reduction of \$50 000; or*
 - (b) *up to 5% — where the contract is for construction (building) services, up to a maximum price reduction of \$50 000; or*
 - (c) *up to 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 or services for the first time, due to those goods or services having been, until then, undertaken by the local government.*

Proof of eligibility:

Businesses who claim the regional price preference should indicate on their tender or quotation submission that they wish to claim the regional price preference and on which criteria they wish to claim it. Suitable proof of eligibility should be provided.

Where a price preference is being claimed by non-local business on the basis of goods or services being supplied from regional sources only those goods or services identified in the tender or quotation as being from regional sources may be included in the discounted calculations that form a part of the assessments of a tender or quotation when a regional price preference policy is in operation.

If, in the opinion of the City of Kalgoorlie-Boulder, a supplier has deliberately provided false or misleading information so as to benefit from this policy, their quotation or Tender may be considered non-conforming and, as such, may be disqualified.

Competitive Purchasing:

Price is only one factor that the City of Kalgoorlie-Boulder considers when evaluating a quotation or Tender. There is nothing contained within this policy that compels acceptance of the lowest price.

The Tender or quotation that is determined to be both cost effective and advantageous to the City of Kalgoorlie Boulder will be the most likely to be accepted.

Consequences:

This policy represents the formal policy and expected standards of the City of Kalgoorlie Boulder. Elected Members and Employees are reminded of their obligations under the Council's Code of Conduct to give full effect to the lawful policies, decisions and practices of the City.

Roles and Responsibilities:

Employees will use the local market for their procurement requirements to encourage economic growth and local business partnerships where it is practical and reasonable to do so.

Employees are to ensure that the application of a regional price preference is clearly identified within the *Tender* and quotation documents to which the preference is to be applied and that this policy is made available to businesses as part of the quotation or *Tender*.

RELEVANT DOCUMENTS

External:

- Local Government Act 1995;
- Local Government (Functions and General) Regulations 1996;

Internal:

- Code of Conduct;
- CORP- AP- 001 Purchasing Policy;
- Tendering Procedure;