

FINANCE / ACCOUNTING

F 4.4 Local Price Preference

<i>Responsible Department</i>	Corporate Services
<i>Resolution Number</i>	C.3638
<i>Resolution Date</i>	17/04/2019
<i>Next Scheduled Review</i>	2021
<i>Related Shire Documents</i>	
<i>Related Legislation</i>	Local Government Act 1995 – s3.57 Tenders; Local Government (Functions & General) Regulations 200 – Part 4A; Local Government (Administration) Amendment Regulations 2000 – s29.

OBJECTIVE

The purpose of this policy is to stimulate economic activity and growth in the Shire by maximising the use of competitive local businesses in supplying goods, services and works purchased or contracted on behalf of the Shire of Northam.

SCOPE

Applies to all Purchases.

POLICY

1. Local Price Preference

A price preference will apply to suppliers who are based in, operate from or source goods or services from within the Shire in relation to all quotations/tenders invited by the Shire for the supply of goods, services and construction (building) services.

The Local price preference enables suppliers to be evaluated as if the proposed tender/quotation bid price were reduced in accordance with permitted price preferences as specified below in this policy.

This policy will operate in conjunction with the purchasing considerations and procedures as outlined in the Council's 'Purchasing Policy' when evaluating and awarding tender contracts.

2. Qualifying Criteria

Local Supplier

A supplier of goods or services who submits a tender/quotation is regarded as being a local tenderer if:

- i. the supplier has a physical business premises (in the form of an office, depot, shop, outlet, headquarters or other premises where goods or services are being supplied from), located within the Shire. This does not exclude suppliers whose registered business is located outside the Shire but undertake the business from premises located in the Shire;
- ii. a business having permanent staff that are based at the business premises located within the Shire;
- iii. management or delivery of the majority of the outcomes will be carried out from the business premises located in the shire; and

In order for the policy to apply, the supplier is required to provide to the Shire sufficient evidence which demonstrates compliance with the above criteria.

3. Local Price Preference Value

Goods and Services:

Up to 10% where the contract is for goods or services, up to a maximum price reduction of \$50,000

Up to 5% where the contract is for the construction (building) services, up to a maximum price reduction of \$50,000

Up to 10% where the contract is for goods or services (including construction (building) services), up to the maximum price reduction of \$100,000, 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.