

REGIONAL PRICE PREFERENCE POLICY

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1. OBJECTIVE

To promote local business partnerships within the City of Karratha by giving preferential consideration to regional suppliers in the procurement of goods and/or services via tender.

1.1 Definitions

In this policy the following words have the following meanings:

Local Industry	is a business within the City of Karratha which conforms to the definition of a 'regional tenderer' under this policy.
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 City of Karratha for at least six (6) months and submits a tender for the supply of goods and/or services.

2. PRINCIPLES

The City of Karratha will encourage local industry to do business with Council through the adoption of a regional price preference advantage in conjunction with standard tender considerations. This policy applies to all City of Karratha tenders, unless Council resolves that this policy does not apply to a specific tender.

For the purchase of goods and/or services outside of the tender process the mandatory price preference requirements contained in Council's CG-12 Purchasing Policy and Purchasing Guidelines must be observed.

2.1. Price Preference

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

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

2.2. 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, as described within CG-12 Purchasing Policy and the Purchasing Guidelines, will be employed by assessing the price component in conjunction with the tender selection criteria and requirements.

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

For the purchase of goods and/or services outside of the tender process, this is addressed under the Council's CG-12 Purchasing Policy.

3. CONSEQUENCES

This policy represents the formal policy and expected standards of the City of Karratha. Appropriate approvals need to be obtained prior to any deviation from the policy. 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.

4. ROLES AND RESPONSIBILITIES

Employees will use a competitive market for their local tender 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 documents to which the preference is to be applied and that this policy is made available to tenderers.

5. REFERENCES TO RELATED DOCUMENTS

- CG-12 Purchasing Policy
- City of Karratha Purchasing Guidelines
- City of Karratha Code of Conduct
- *Local Government (Functions and General) Regulations 1996*

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Responsible Officer:	Manager Governance and Organisational Strategy

This Policy takes effect from the date of adoption by Council and shall remain valid until it is amended or deleted.