POLICY NO 2.12

(2.12 – Regional Price Preference Policy)

Origin/Authority

Council Meeting: 22 February 2018

OBJECTIVE

To encourage the use of competitive local businesses in goods, services and works purchased or contracted on behalf of the Shire of Exmouth.

POLICY

1. Policy Statement

   1.1 A price preference will apply to quotations of $5,000 value or greater and all tenders invited by the Shire of Exmouth, for the supply of goods and services and construction services, unless the Council resolves that this policy not apply to a particular quotation or tender.

   1.2 The following levels of preference will be applied under this policy:

   (a) Goods or services up to a maximum price reduction of $50,000.00:

   - 10% to businesses located within the Prescribed Area.

   (b) Construction (building) services up to a maximum price reduction of $50,000.00:

   - 5% to businesses located within the Prescribed Area.

   (c) Goods or Services, including construction (building) services, up to a maximum price reduction of $500,000.00, if the Council 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 Council:

   - 10% to businesses located within the Prescribed Area.

2. The levels of preference outlined in 1.2 above, will be applied as either a regional business preference or as a regional content preference, as follows:

   2.1 Regional Business Preference

   (a) This preference enables businesses/contractors within local governments in the Prescribed Area to claim a price preference for their whole bid, regardless of the origin of the labour or materials, as all labour and materials are deemed to be regional content.

   (b) The price of the bids from the local businesses/contractors will be reduced (for evaluation purposes only), by the amounts set out in section 1.2 of this policy.

   2.2 Regional Content Preference

   (a) This preference provides an incentive for businesses/contractors outside

DRAFT

the Prescribed Area to purchase goods, services and construction from within the Prescribed Area. The preference applies to the value of the goods, materials or services purchased from within the Prescribed Area and used in the Shire of Exmouth and are referred to as “Regional Content”. The preference percentages are as set out in section 1.2 of this policy.

(b) Businesses outside the Prescribed Area, who claim that they will use regional businesses (Regional Content) in the delivery of the contract outcomes, may be required, as part of the contract conditions, to demonstrate that they have actually used them.

2.3 Businesses wishing to claim a price preference in Clause 2 must complete a preference questionnaire/response form that is distributed with each quotation of $5,000.00 value or greater and which is also included in tender documentation. Eligible businesses within the Prescribed Area must clearly state their full business location and postal address.

3. Price is only one factor to be considered when assessing quotations and tender submissions.

4. Definitions

4.1 A ‘‘Local Business/Contractor’’ must meet the following conditions:

(a) Have a permanent office in the Prescribed Area for at least six months prior to bids being sought;

(b) Have permanent staff based in the Prescribed Area; and

(c) That bidding and management/delivery of the majority of the contract outcomes will be carried out from the business location in the Prescribed Area.

DRAFT