



POLICY MANUAL

COMMUNITY AND ECONOMY

8.01 REGIONAL PRICE PREFERENCE (BUY LOCAL) POLICY

Distribution:	Elected Members, All Employees, Contractors, Visitors, Volunteers
Responsible Officer:	Chief Executive Officer
Date Adopted:	June 2016 – Version 1 – Resolution 8.1.2 062016.OM
Last Review:	March 2024 – Version 2 – Resolution 032024 767 (Formerly 1.03.2)

Purpose

To ensure that when purchasing goods and services over \$2000.00 to the Shire achieves the best possible value for money whilst supporting local businesses and industry where possible.

Scope

Elected members, Chief Executive, Deputy Chief Executive Officer, Officer, Managers, all Employees, and Contractors.

Standard

The Local Government (Functions and General) Regulations 1996 provide opportunity for local government to establish a Regional Price Preference.

The Shire of Goomalling recognises that it has a role in the economic development of the local community and is committed to supporting local businesses, provided they are competitive with respect to the quality of their workmanship or product, customer service, delivery and price.

Regional Preference can include any area, but must include the entire district of the local government and cannot include a part of the Metropolitan Area.

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

- Ensure a “Buy Local” culture within the Shire workforce;
- Request quotations from local businesses whenever possible;
- Encourage the use of local businesses in the delivery chain whenever goods, materials and services have to be sourced from outside the Shire; and Apply:
 - 10% price preference for all quotations for goods and services over \$2,000 up to a maximum price \$99,999, with a maximum reduction of \$50,000;
 - 5% where the contract is for construction (building) services, up to a



POLICY MANUAL COMMUNITY AND ECONOMY

maximum price reduction of \$50,000; or

- 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 and services for the first time, due to those goods or services having been, until then, undertaken by the local government.
- To ensure that this Procedure is consistent with Councils' Purchasing Policy 2.40.

To be able to claim a price preference, a business must have a permanent office and permanent staff in the Shire of Goomalling for a period of at least six (6) months prior to quotations being sought and/or the closing date of the tender and be registered or licensed in Western Australia.

Only those goods and services identified in the tender as being supplied locally will be included in the discounted calculation that forms a part of the assessments of a tender.

A regional price preference applies whenever tenders are called unless the local government resolves otherwise in reference to a particular tender. It should be noted that price is only one (1) factor or criteria when considering tenders. Value for money principals will be used to achieve the best possible outcome for the tender.

If a supplier has concerns about the application of this Policy, this should be taken up in writing with the Chief Executive Officer.

Chief Executive Officer

- Ensure that the policy is adhered to.

Executive Management

- Ensure that the policy is adhered to.

Legislation

Local Government Act 1995 and associated Regulations

Resource Documents

Purchasing Policy 2.4

Local Law

Nil

Delegation

Not Applicable