
FP002 – Regional Price Preference

1. Intention

To promote the growth development and retention of local and regional businesses employing local people to assist in generating economic benefits by maximising the use of competitive local and regional content in the supply of goods and services or for construction (building services) sourced by way of Tender on behalf of the Shire of Waroona.

2. Scope

This policy applies to Elected Members and employees of the Shire of Waroona.

3. Statement

A price preference will apply to tenders invited for procurement over \$75,000 by the Shire of Waroona unless Council resolves that this policy not apply to a particular tender invited.

The following levels of preference for the purposes of assessment will be applied under this policy:

1. Shire of Waroona Businesses

- 10% where the contract is for goods and services up to a maximum price assessment reduction of \$50,000; and
- 5% where the contract is for construction (building services) up to a maximum price assessment reduction of \$50,000.

2. Peel Region Businesses

- 5% where the contract is for goods and services up to a maximum price assessment reduction of \$50,000; and
- 2.5% where the contract is for construction (building services) up to a maximum price assessment reduction of \$50,000.

The levels of preference will only apply to businesses that are located within the Shire of Waroona or the Peel Region for at least six (6) months prior to the closing date of tender invited.

The level of preference outlined is to be applied as either a local (Shire of Waroona Business or Peel Region Business), not both.

The Peel Region Businesses preference can only be applied if it does not affect the overall evaluation outcomes for a business from the Shire of Waroona, on the condition that the Shire of Waroona Business has submitted an equally competitive bid in terms of evaluated quality i.e.: overall qualitative scores are in the same range/s.

Only the cost of those goods and services clearly identified in a the tender submission as being supplied locally or from the Peel Region regionally (regardless of their origin) will be included in the calculation that forms a part of the assessment of a tender. Travel or accommodate costs are excluded.

It should be noted that price is only one factor to be considered when the Shire assesses tender submissions. Value for money principles will be used to achieve the best possible outcome for every dollar spent. This is achieved by assessing all costs and benefits rather than simply selecting the lowest purchase price.

The Peel Region includes the Shire's of Murray, Boddington, Serpentine Jarrahdale and City of Mandurah.

4. Legislative and Strategic Context

The *Local Government Act 1995* and the associated subsidiary legislation provide the broad framework within which this policy operates.

5. Review

This policy is to be reviewed triennially.

6. Associated Documents

Nil.

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| Division | Finance | | | | |
| Policy Number | FP002 | | | | |
| Contact Officer | Director Corporate Services | | | | |
| Related Legislation | Local Government Act 1995 Local Government (Functions & General) Regulations 1996 | | | | |
| Related Shire Documents | Nil | | | | |
| Risk Rating | Medium | Review Frequency | Triennially | Next Review | July 2027 |
| Date Adopted | 25/02/2020 | | | | OCM20/02/018 |

| Amendments | | |
|------------------------------------|--|--------------|
| Date | Details of Amendment | Reference |
| 22/06/2021 | Updated as part of major review and reformatted. | OCM21/06/071 |
| 25/06/2024 | Reviewed without amendment | OCM24/06/090 |
| Previous Policies | | |
| FIN010 – Regional Price Preference | | |