

CP 4.11 REGIONAL PRICE PREFERENCE COMPARISON TABLE

CURRENT POLICY STATEMENT	PROPOSED	CHANGE NOTES	COUNCILLOR COMMENT
<p>SUSTAINABILITY THEME Governance</p>	<p>SUSTAINABILITY THEME Governance</p>	<p>NA</p>	
<p>OBJECTIVES To encourage local economic activity by discounting a regional tenderers submitted price.</p> <p>POLICY STATEMENT This policy applies to contracting and procurement activities and is binding upon councillors, officers and temporary employees, contractors, suppliers and consultants while engaged by the City of Greater Geraldton</p>	<p>OBJECTIVES To encourage local economic activity by applying a price preference for Local Suppliers and locally sourced goods and services.</p> <p>POLICY STATEMENT This policy applies to nominated procurement activities and is binding upon councillors, officers, temporary employees, and suppliers while engaged by the City of Greater Geraldton</p>	<p>Under the regulations and City process the application of the Regional Pricing Policy is optional as it is not relevant to all procurement activities, this amendment stating <i>nominated procurement</i> allows the City in the procurement planning phase to nominate when applicable for example all RFTs include this requirement but this provision does not apply to all RFQ activities.</p> <p>Note: removed contractors and consultants as they are covered under suppliers which is the City's general term for all contractors, consultants etc.</p>	
<p>POLICY DETAILS</p>	<p>POLICY DETAILS</p>		
<p>1. Goods and Services</p> <p>A 5% price preference, to a maximum of \$25,000, applies to goods and services sourced and used in the prescribed area. <i>A further 5% price preference, to a maximum of \$25,000, applies to regional contractor/supplier that has a Permanent Operational Office in the prescribed area.</i></p>	<p>1. Goods and Services</p> <p>A 10% price preference, to a maximum of \$50,000, applies to contracts for goods or services.</p>	<p>The City in the last 2 years when applying this split to the regional preference has found there has been no measurable benefits to either the regional tenderers or to the City in adding the additional step. The City now instead utilises the qualitative criteria "local economic benefit" which has allowed much greater scope to incentivise and preference regional tenderers. In addition the proposed new wording is wholly aligned to the intent of the LG Functions & General Regulations allowed process and is the maximum preference allowed by the regulations</p>	<p>Mayor Shane Van Styn I would like to see how we evaluate the compliance with claims of local content during the project as well as post the project and what consequences for noncompliance could be.</p> <p>Also how do we do due diligence during awarding process of the ability of the tenderer to comply with their local component claim.</p> <p>Cr Steve Douglas Agree with Mayor's comments. This is a major issue right across State Govt as well. May be worth looking at how the local Procurement Officer, based I believe in MWDC, is dealing with this. Or DPIRD in Perth may assist.</p>
<p>2. Construction, including Housing and Public Buildings</p> <p>A 2.5% price preference, to a maximum of \$25,000, applies to all construction conducted in the prescribed area. <i>A further 2.5% price preference, to a maximum of \$25,000, applies to regional contractor/supplier that has a Permanent Operational Office in the prescribed area.</i></p>	<p>2. Construction</p> <p>A 5% price preference, to a maximum of \$50,000, applies to contracts for construction (building).</p>	<p>Construction is defined in the terms and therefore a longer title is not required here. In addition construction is an industry recognised and understood term.</p> <p>See prior comment regarding economic benefit and LG regulation alignment</p>	
<p>3. Competitive Tendering and (Long Term) Contracting</p> <p>A 5% price preference, to a maximum of \$250,000 (based on \$25,000 per annum to a maximum of ten years), applies to goods and services sourced and used and all construction conducted in the prescribed area. This preference applies on a once off basis and when the contract is renewed the standard preference applies. <i>A further 5% price preference, to a maximum of \$250,000 (based on \$25,000 per annum to a maximum of ten years), applies to regional contractor/supplier that has a Permanent Operational Office in the prescribed area. This preference applies on a once off basis and when the contract is renewed the standard preference applies.</i></p>	<p>3. Outsourced Goods and Services</p> <p>A 10% price preference, to a maximum of \$500,000 (based on \$50,000 per annum to a maximum of ten years), applies to contracts for goods and services (including construction (building) services) where the goods or services were previously undertaken by the City. This preference applies on a once off basis and when the contract is renewed the standard preference applies.</p>	<p>Retitled clause to align to the intent and application of the clause. Please note this clause is almost never utilised as it is designed for when the City outsources a previously internal function.</p> <p>See prior comment regarding economic benefit and LG regulation alignment</p>	
<p>4. Conditions</p>	<p>4. Conditions</p>	<p>Clarified the condition to align to the LG Functions & General Regulations.</p>	

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<p>Although the prices for goods and services submitted by a regional contractor/supplier as defined in this policy may be</p> <ol style="list-style-type: none"> 1. wholly supplied from regional sources; or 2. partly supplied from regional sources and partly from non-regional sources, <p>Only those goods or services identified in the tender as being from regional sources may be included in the discounted calculations that form part of the assessment of a tender or quote when this policy is in operation.</p>	<p>Where a non Local Supplier seeks a price preference only those goods or services identified in the offer as being sourced from within the Prescribed Area may be included in the discounted calculations that form part of the assessment of a tender or quote when this policy is in operation.</p>		
<p>5. Regional Content Preference</p> <p><i>A non-Regional Tenderer may identify in their submission goods and services sourced from Regional contractors/suppliers within the prescribed area and this price preference will be applied to those goods and services so identified.</i></p>	<p>Deleted</p>	<p>Combined with "4. Conditions" to align to the LG Functions & General Regulations.</p>	
<p>6. Delegations</p> <p>The Chief Executive Officer (CEO) has delegated authority to undertake purchases of goods and services up to a value as determined by council. The CEO may delegate authority to any officer in order to maintain effective and efficient operations. Such delegation must be used in association with budget allocations.</p>	<p>Deleted</p>	<p>Removed from policy as dealt with in delegations</p>	
<p>KEY TERM DEFINITIONS</p> <p>Construction (including works): For the purpose of this policy a work (construction) is defined as the carrying out of any improvement on or over any area of land, lake, river or ocean, and any services related to that activity in the prescribed area. This includes the construction of buildings, housing and other public infrastructure as well as related services such as architectural, surveying, facilities management and general maintenance.</p> <p>Goods: includes tangible, quantifiable material requirements usually capable of being moved or transported that are purchased, rented, leased or hired by the City.</p> <p>Regional tenderer means a supplier of goods or services in accordance with the following;</p> <ol style="list-style-type: none"> 5. The tenderer has been operating a business continuously out of premises in the prescribed area for at least 6 months before the time after which further tenders cannot be submitted; or 6. some or all of the goods or services are to be supplied from regional sources. <p>Prescribed Area: means within 150 kilometres of the City of Greater Geraldton main office.</p> <p>Services or Provision of Services: means any task, consultancy, work or advice to be performed or provided that is procured by the City. Included are services such as management consultancies, outsourcing, maintenance contract/ agreement, cleaning, waste removal, equipment repairs, external auditors, utilities and services acquired by a private sector provider for the City.</p>	<p>KEY TERM DEFINITIONS</p> <p>Construction (including works): For the purpose of this policy a work (construction) is defined as the carrying out of any improvement on or over any area of land, lake, river or ocean, and any services related to that activity in the prescribed area. This includes the construction of buildings, housing and other public infrastructure as well as related services such as architectural, surveying, facilities management and general maintenance.</p> <p>Goods: includes tangible, quantifiable material requirements usually capable of being moved or transported that are purchased, rented, leased or hired by the City.</p> <p>Local Supplier means a supplier of goods or services who has been operating a business continuously out of premises in the Prescribed Area for at least 6 months before the time after which further offers cannot be submitted.</p> <p>Prescribed Area: means within the boundaries of the City of Greater Geraldton and/or within 150 kilometres of the City of Greater Geraldton's main office.</p> <p>Services or Provision of Services: means any task, consultancy, work or advice to be performed or provided that is procured by the City. Included are services such as management consultancies, outsourcing, maintenance contract/ agreement, cleaning, waste removal, equipment repairs, external auditors, utilities and services acquired by a private sector provider for the City.</p>	<p>Renamed term Local Supplier to allow policy to apply to quotes when suitable as well as tenders.</p> <p>Amended prescribed area to align with requirements of the LG Functions & General Regulations</p>	
<p>ROLES AND RESPONSIBILITIES</p> <p>The employees of the City of Greater Geraldton will use a competitive market for their local requirements and encourage the development of suppliers and local industry. Local suppliers with the capacity to compete should be provided with the opportunity to bid for work in the City of Greater Geraldton.</p>	<p>ROLES AND RESPONSIBILITIES</p> <p>The employees of the City of Greater Geraldton will use a competitive market for their local requirements and encourage the development of suppliers and local industry. Local Suppliers with the capacity to compete should be provided with the opportunity to bid for work with the City of Greater Geraldton.</p>	<p>Typographical errors corrected.</p>	

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