

4.11 REGIONAL PRICE PREFERENCE

SUSTAINABILITY THEME

Governance

OBJECTIVES

To encourage local economic activity by applying a price preference for Local Suppliers and locally sourced goods and services.

POLICY STATEMENT

This policy applies to nominated procurement activities and is binding upon councilors, officers, temporary employees, and suppliers while engaged by the City of Greater Geraldton.

POLICY DETAILS

A preference is applicable to Local Suppliers. A preference is also applicable to the identified local content of offers from non-Local Suppliers.

1. Goods and Services

A 10% price preference, to a maximum of \$50,000, applies to contracts for goods or services.

2. Construction

A 5% price preference, to a maximum of \$50,000, applies to contracts for construction (building).

3. Outsourced Goods and Services

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.

4. Conditions

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.

5. Local Economic Benefit

As much as practicable, the City will:

- 5.1 Consider buying practices, procedures and specifications that encourage the inclusion of local businesses and the employment of local residents;
- 5.2 Consider indirect benefits that have flow on benefits for local suppliers (i.e. servicing and support);
- 5.3 Avoid bias in the design and specifications for Requests for Quotation and Tenders to encourage local businesses to bid.

KEY TERM DEFINITIONS

Goods: includes tangible, quantifiable material requirements usually capable of being moved or transported that are purchased, rented, leased or hired by the City.

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.

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.

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.

ROLES AND RESPONSIBILITIES

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.

WORKPLACE INFORMATION

Local Government Act 1995
 Local Government (Function and General) Regulations 1996 – Divisions 1 and 2.
 Council Policy 4.9 Procurement of Goods & Services
 City Procurement Processes
 WALGA Procurement Handbook

POLICY ADMINISTRATION

| Directorate | | Officer | Review Cycle | Next Due |
|-----------------------------------|--------------------|----------------------------|--------------|----------|
| Corporate and Commercial Services | | Manager Corporate Services | Biennial | 2022 |
| Version | Decision Reference | Synopsis | | |
| 3. | TBC | Policy Review | | |