

2/016 Regional Price Preference

1. Objective

To promote local business partnerships within the Town of Port Hedland (Town) by giving preferential consideration to regional suppliers in the procurement of goods or services via tender or quotation.

2. Content

Regional is defined as all businesses located within the Town's municipal boundary (level 1 suppliers), or in a neighbouring municipality (level 2 suppliers) including:

- Shire of Ashburton
- City of Karratha
- Shire of East Pilbara
- Shire of Broome

To claim level 1 regional price preference, a supplier must demonstrate that:

- a) it has continually operated a business within the Town for at least 6 months;
or
- b) some or all of the goods or services are to be supplied from Town sources;
or

To claim level 1 regional price preference, a supplier must demonstrate that:

- b) it has continually operated a business for at least 6 months within a neighbouring municipality; or
- c) some or all of the goods or services are to be supplied from a neighbouring municipality.

Regional Price Preference will be applied to all quotes and tenders over \$50,000 which have been administered by the Town's Procurement Team, however only to the goods or services that are being supplied by a relevant regional supplier.

Regional suppliers that intend to claim a regional price preference under this Policy may be required to submit suitable proof of eligibility with their tender/quotation.

If, in the opinion of the Town, a supplier has deliberately provided false or misleading information so as to benefit from this policy, their tender/quotation may be considered non-conforming and as such may be excluded from evaluation.

3. Price Preference

When a regional price preference is applied to tenders and requests for proposals, in accordance with the *Local Government (Functions and General) Regulations 1996*. The following levels of preference will be applied:

Level 1 – Suppliers located within the Town’s municipal boundary

a) Goods and Services

A 10% price preference to a supplier of *Goods and Services to a maximum price reduction of \$50,000*.

b) Construction (building)

A 5% price preference to a supplier of *Construction (building) services up to a maximum price reduction of \$50,000*.

c) *Competitive Tendering*

A 10% price preference to a supplier of any goods and services (including construction (building) services) that have been, previously undertaken by the Town. This preference applies up to a maximum price reduction of \$500,000.

Level 2 – Suppliers located within neighbouring municipalities

a) Goods and Services

A 5% price preference to a supplier of *Goods and Services to a maximum price reduction of \$25,000*.

b) Construction (building)

A 2.5% price preference to a supplier of *Construction (building) services up to a maximum price reduction of \$25,000*.

c) *Competitive Tendering*

A 5% price preference to a supplier of any goods and services (including construction (building) services) that have been, previously undertaken by the Town. This preference applies up to a maximum price reduction of \$250,000.

4. Reporting

The Town will demonstrate the benefits obtained through the application of the Regional Price Preference in the annual report each year.

5. Definitions

“Competitive Tendering” seeking submissions to outsource goods or services which were previously completed / provided by the Town.

“Construction (building)” is the carrying out of any works that are construction, reconstruction, renovation or alteration to any structure where there is a design element that has been initiated by the Town. This includes but is not limited to residential buildings, commercial buildings, shelters and civil construction including roadworks and kerbing.

Relevant legislation and policies	<i>Local Government Act 1995</i> <i>Local Government (Functions and General) Regulations 1996</i> 2/007 Purchasing Policy
Delegated authority	Nil
Business unit	Governance
Directorate	Corporate Services

Governance to complete this section			
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	V01	201314/067	28 August 2013
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