

**Reference/s**

Local Government Act 1995  
Local Government (Functions and General) Regulations 1996

**Date Proposed/Adopted**  
05042021

28 November 2023

**Motion**

**Number**

<b>Reviewed</b>	<b>New Policy</b>
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***This policy supports the delivery of the Shire of Cranbrook Vision***

*That the Shire of Cranbrook is a proactive, sustainable, safe, friendly and prosperous place to be*

**OBJECTIVE**

To promote local business partnerships within the Great Southern region and the Shire of Cranbrook by giving preference to regional suppliers in the procurement of goods or services via tender or quotation.

**SCOPE**

This policy applies to all relevant purchasing and procurement undertaken by, or on behalf of the Shire.

**POLICY STATEMENT**

The Shire will encourage local industry to do business with Council through the adoption of a regional price preference advantage in conjunction with standard tender and quotation considerations.

This policy will apply to all Shire tenders and quotations where prices are being sought from both local and non-local businesses.

**Price Preference Levels**

A price preference may be given to a local or regional business by assessing the tender from that local business as if the price bids were reduced by the values set out in regulation 24D(1) of the *Local Government (Functions and General) Regulations 1996*:

- (1) A preference may be given to a regional tenderer by assessing the tender from that regional tenderer as if the price bids were reduced by –
- (a) Up to 10% - where the contract is for goods or services, up to a maximum price reduction of \$50,000; or
  - (b) Up to 5% - where the contract is for construction (building) services, up to a maximum price reduction of \$50,000; or
  - (c) Up to 10% - where the contract is for goods or services (including construction (building) services), up to a maximum of \$500,000, if the local government is seeking tenders for the provision of those services for the first time, due to those goods or services having been, until then, undertaken by the local government.

### **Proof of Eligibility**

Businesses who claim the regional price preference should indicate on their tender or quotation submission that they wish to claim the regional price preference and on which criteria they wish to claim it. Suitable proof of eligibility should be provided.

Where a price preference is being claimed by non-local business on the basis of goods or services being supplied from regional sources only those goods or services identified in the tender or quotation as being from regional sources may be included in the discounted calculations that form a part of the assessments of a tender or quotation when a regional price preference policy is in operation.

If, in the opinion of the Shire of Cranbrook, a supplier has deliberately provided false or misleading information in order to benefit from this policy, their quotation or tender by be considered non-conforming and, as such, may be disqualified.

### **Competitive Purchasing**

Price is only one factor that the Shire considers when evaluating a quotation or tender. There is nothing contained within this policy that compels acceptance of the lowest price. The tender or quotation that is determined to be both cost effective and advantageous to the Shire will be the most likely to be accepted.

### **Consequences**

This policy represents the formal policy and expected standards of the Shire. Elected members and employees are reminded of their obligations under the relevant Codes of Conduct to give full effect to the lawful policies decision, and practices of the Shire.

### **ROLES AND RESPONSIBILITIES**

Employees will use the local market for their procurement requirements to encourage economic growth and local business partnerships where it is practical and reasonable to do so.

Employees are to ensure that the application of a regional price preference is clearly identified within the tender and quotation documents to which the preference is to be applied and that this policy is made available to businesses as part of the quotation or tender.

### **DEFINITIONS**

**Construction** 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 Shire. This includes but is not limited to residential buildings, commercial buildings, shelters, and civil construction including roads and other public infrastructure.

**Quotation** means a statement from a supplier setting out the cost for the supply of goods or services.

**Local business** in this policy is a regional tenderer as defined in the Local Government (Functions and General) Regulations 1996 Part 4a 24(b).

**Regional tenderer** means a supplier of goods or services who submits a tender and satisfies the following criteria:

- (a) That supplier has been operating a business continuously out of premises in the appropriate region for at least six months before the time after which further tenders cannot be submitted, or
- (b) Some or all the goods or services are to be supplied from regional sources.

**Region** is specified as the geographical area of the Great Southern region of Western Australia. This region officially comprises the local government areas of Albany, Broomehill-Tambellup, Cranbrook, Denmark, Gnowangerup, Jerramungup, Katanning, Kent, Kojonup, Plantagenet and Woodanilling.

**Tender** means a tender required under regulation 11 of the Local Government (Functions and General) Regulations 1996 or other tender procedure as determined by Council.

## **RELEVANT DOCUMENTS**

### **Internal:**

Council Policy 4.8 Finance – Purchasing

### **External:**

Section 3.57 of the Local Government Act 1995

Part 4 of the Local Government (Functions and General) Regulations 1996