

**Corporate Policy
2.5
Regional Price Preference**

Purpose

Regional price preference policies are designed to support local procurement when using public funds within the confines of statutory provisions.

Policy Measures

Background and Issues

Supporting local business is a prerogative of the Shire of Northampton. This support must be balanced by seeking the best value for money for purchased goods and services to maximise scarce financial resources.

Objectives

- To support the local community as much as possible;
- To seek value for money in purchasing goods and services with public money; and
- To maximise limited financial resources available to the organisation.

Guidelines

This Policy relates to all purchasing by the Shire of Northampton. Where possible and within reasonable limits set out herein, the Shire of Northampton will support local businesses through the application of this Regional Price Preference Policy.

Regional Price Preference

- (a) Unless specifically excluded in advance of advertising, a Regional Price Preference will apply to the following
 - (i) purchases when calling tenders
 - (ii) purchases when seeking quotations
- (b) The "Region" to which the Regional Price Preference applies is the district of the Shire of Northampton.
- (c) A supplier of goods or services who submits a tender or quotation is regarded as being a regional tenderer if:
 - (a) That supplier has been operating a business continuously out of premises in the region for at least 6 months before the time the relevant tender closes; or
 - (b) Some or all of the goods or services are to be supplied from regional sources. In this instance, the preference only applies

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to that part of the tender or quote that has been supplied from the regional sources which needs to be specified in the tender submission.

- (d) The regional pricing preference to be given to a regional tenderer is outlined below and represents the amount by which the regional tenderer's price bids or other quotations would be reduced for the purpose of assessing the tender or quotations:

For construction (building services)

Value of Tender / Supply by Regional Tenderer	% Regional Price Preference
\$0 to \$20,000	\$0 + 5.0 % of excess above \$0
\$20,000 to \$50,000	\$1,000 + 4.0 % of excess above \$20,000
\$50,000 to \$100,000	\$2,200 + 3.0 % of excess above \$50,000
\$100,000 to \$250,000	\$3,700 + 2.0 % of excess above \$100,000
Above \$250,000	\$6,700 + 1.0 % of excess above \$250,000

For all other goods and services

Value of Tender / Supply by Regional Tenderer	% Regional Price Preference
\$0 to \$10,000	\$0 + 10.0 % of excess above \$0
\$10,000 to \$20,000	\$1,000 + 6.0 % of excess above \$10,000
\$20,000 to \$50,000	\$1,600 + 4.0 % of excess above \$20,000
\$50,000 to \$100,000	\$2,800 + 3.0 % of excess above \$50,000
\$100,000 to \$250,000	\$4,300 + 2.0 % of excess above \$100,000
Above \$250,000	\$7,300 + 1.0 % of excess above \$250,000

Subject to the maximum regional price preference capped at \$50,000.

- (e) That the Regional Price Preference Policy be applied to all types and nature of business, goods or services supplied from the regional sources on the scales outlined above.

Administration

This policy will be administered by the Office of CEO.

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Adoption and Date Due for Revision

**ADOPTED 20 JUNE 2024
REVIEWED N/A**

NEXT DUE FOR REVIEW 20 JUNE 2029

The Administration of this Policy is by Office of CEO.