

LOCAL SUPPLIER PREFERENCE POLICY

POLICY STATEMENT AND OBJECTIVES

The City of Bunbury recognises the contribution local businesses make in building a better Bunbury. This Policy outlines the process for City officers to apply preferences to Local Suppliers in a fair and equitable manner. The objectives of the Policy are:

- To promote economic development by maximising participation of local businesses in the delivery of goods and services;
- Encourage effective competition with the supply of goods and services from local businesses;
- Promote the inclusion of local businesses and the employment of local residents.

This Policy outlines the process for the application of a regional price preference for Local Suppliers and the application of a preference for goods and services which are identified as being sourced from Local Suppliers.

This Policy is developed in accordance with Part 4A of the *Local Government (Functions and General) Regulations 1996 (Regulations)*.

POLICY SCOPE

This Policy will apply to procurements greater than \$75,000 (ex GST) invited by the City of Bunbury.

In relation to this Policy, a supplier is considered a “Local Supplier” if:

- (a) The supplier is located within the Bunbury/Wellington Group of Councils; and
- (b) The supplier has a permanent office and staff located in the Bunbury/Wellington Group of Councils for a period of at least six (6) months prior to the closing date of the procurement.

POLICY DETAILS

1. Applicability

A regional price preference is applicable when evaluating submissions for procurements (according to the Purchasing Policy) \$75,000 (excluding GST) and over.

A local content price preference will apply to local content components of goods and services sourced from Local Supplier businesses for all procurements \$75,000 (ex GST) and over.

The City’s Regional Price Preference may be applied when assessing applications to join a Panel.

2. Regional Price Preference for Procurements \$75,000 and over

In accordance with regulation 24D of the Regulations, the following price preferences will be applied for each procurement (where applicable):

- (a) 10% where the contract is for goods or services up to a maximum price reduction of \$50,000;
- (b) 5% where the contract is for construction services, up to a maximum price reduction of \$50,000; and
- (c) 10% where the contract is for goods and services or construction services tendered for the first time (in circumstances where the goods or services or construction services were previously supplied by Council) up to a maximum price reduction of \$500,000.

3. Local Content Price Preference for Procurements \$75,000 and over

A price preference will apply to local content components of goods and services sourced from Local Suppliers for non-regional (metropolitan) businesses in respect of all procurements \$75,000 and over as follows:

- (a) 10% where the contract is for goods or services up to a maximum price reduction of \$50,000; and
- (b) 5% where the contract is for construction services, up to a maximum price reduction of \$50,000.

Local content components of goods and services can include goods, materials, labour, sub-contractors, professional services and employment of residents, but cannot include travel costs.

Written evidence of the local content components, including how it relates to the price submitted must be provided. Where possible, Contract managers will monitor local content components to ensure compliance by consulting with Contractors during delivery and requesting evidence of compliance.

4. Local Supplier procurement practices

As much as practicable, the City will endeavour to:

- where appropriate, consider buying practices, procedures and specifications that do not unfairly disadvantage Local Suppliers;
- avoid bias in the design and specifications for Request for Quotation and Tenders – all requests must be structured to encourage local businesses to bid;
- consider indirect benefits that have flow on benefits for Local Suppliers (i.e. servicing and support);
- ensure that procurement plans consider Local Suppliers, explore the capability of Local Supplier to meet requirements and ensure that procurements are designed to accommodate the capabilities of Local Suppliers;
- provide adequate and consistent information to Local Suppliers; and
- utilise VendorPanel when conducting a procurement in accordance with the Council Purchasing Policy and the City's internal procurement practice document – procurement management policy.

5. Transparency and probity

Where regional price preferences and/or local content price preferences are to be applied during procurement processes, they must be notified within the relevant procurement documents. All suppliers must be treated fairly and consistently when evaluating procurement outcomes.

COMPLIANCE REQUIREMENTS

LEGISLATION

- *Local Government Act 1995*
- *Local Government Act (Financial Management) Amended Regulations 2015*
- *Local Government (Functions and General) Regulations 1996*
- *Corruption Crime and Misconduct Act 2003*
- *State Records Act 2000*

INDUSTRY

ORGANISATIONAL

- City of Bunbury Employee Code of Conduct
- Council Policy: Purchasing

Document Control			
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Owner:	Chief Executive Officer	Owner Business Unit:	Finance Department
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DOC/938230	A/Manager Governance 15/08/2022	No submissions received at the close of advertising period, being 08.08.22. Policy is now considered adopted by Council and will be advertised as such on 17.08.22 (the West) and 18.08.22 (South Western Times).	
DOC/938230	Council Decision 139/22 28 June 2022	Council adopted the proposed new Council Policy for the purpose of giving notice to the public in accordance with section 24E of the Local Government (Functions and General Regulations). Should no submissions be received after the expiration of the public notice period, the Policy is adopted. Should any submission be received, the proposed policy and any submissions received will be presented to Council for further consideration.	
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