

ADMINISTRATION POLICY No 4**Regional Price Preference****Policy Objective:**

To seek to maximise the use of competitive local businesses in goods, services and works purchased or contracted by the Shire of Jerramungup.

Policy:

1. A price preference will apply to all tenders and quotations invited by the Shire for the supply of goods and services and construction (building) services, unless Council resolves that this policy does not apply to a particular tender or quotation.
2. The following levels of preference will be applied under this policy for local businesses:

\$1 - \$50,000	10%
\$50,001 - \$100,000	5%

3. The maximum price reduction allowed for the levels of preference in the above table will be \$50,000.
4. The levels of preference outlined in the table above, will only apply to businesses that have been located within the Shire of Jerramungup for at least six (6) months prior to the closing date of the tender or quotation.
5. It should be noted that price is only one factor to be considered when the Shire assesses tender or quotation submissions. Value for money principles will be used to achieve the best possible outcome for funds spent by the Shire. This is achieved by assessing all costs and benefits rather than simply selecting the lowest purchase price. Other factors used in the value for money assessment may include:
 - a. Capacity of the business to deliver the goods or services.
 - b. Timeliness for delivery of goods or services.
 - c. Demonstrated experience and quality delivered by the business in past transactions.
 - d. After sales service ability of the business.
 - e. Other local economic benefits of the transaction.
 - f. Compliance with the Shire's safety and risk requirements.
 - g. Ongoing costs associated with the transaction.
 - h. Contract management risks.
6. The Regional Price Preference Policy may not apply in the event of an emergency.