



## **AP3 – REGIONAL PRICE PREFERENCE POLICY**

### **MANAGEMENT PRACTICE: PROCUREMENT OF GOODS AND SERVICES**

**DELEGATION: N/A**

#### **OBJECTIVE**

To stimulate sustainable economic activity in the Shire by maximising the use of competitive local businesses in goods, services and works purchased or contracted on behalf of the Shire of Jerramungup.

#### **POLICY**

A price preference will apply to all quotations of \$10,000 value or greater and all tenders invited by the Shire of Jerramungup 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.

The following levels of preference will be applied under this policy for local businesses:

- a) Goods or services up to a maximum price reduction of \$50,000:  
10% to businesses located within the Shire of Jerramungup.
- b) Construction (building) services up to a maximum price reduction of \$50,000:  
5% to businesses located within the Shire of Jerramungup.
- c) Goods or Services, including construction (building) services, up to a maximum price reduction of \$500,000, if the Council is seeking tenders for the provision of those goods or services for the first time, due to those goods or services having been, until then, undertaken by the Council:  
10% to businesses located within the Shire of Jerramungup.

The levels of preference outlined 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.

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 as outlined in Council Finance Policy FP6 – Procurement of Goods and Services.

The Regional Price Preference Policy may not apply in the event of an emergency.

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| <b>Relevant Legislation:</b> | <i>Local Government Act 1995</i><br><i>Local Government (Functions and General) Regulations 1996</i> |
| <b>Related Documents:</b>    | Management Practice – Procurement of Goods and Services                                              |
| <b>Related Local Law:</b>    | N/A                                                                                                  |
| <b>Related Policies:</b>     | FP6 – Procurement of Goods and Services                                                              |
| <b>Adopted:</b>              | 20 April 2016 OC160406                                                                               |
| <b>Last Reviewed:</b>        | 17 April 2019<br>27 May 2026                                                                         |
| <b>Next Review Date:</b>     | 2027                                                                                                 |