

## 2.10 Local Price Preference Policy

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**Policy Owner:** Corporate and Community Services  
**Person Responsible:** Executive Manager Corporate and Community Services  
**Date of Approval:** 15 December 2015  
**Amended:**

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**Objective** To promote local business partnerships within the Shire of Corrigin by giving preferential consideration to local suppliers in the procurement of goods and/or services via a quotation or tender.

**Definitions** In this policy the following words have the following meanings:

**Price Preference** is defined as the willingness to pay a higher price for the procurement of goods and/or services that are supplied by a 'local supplier'.

**Local Supplier** is a supplier that has been operating a business continuously out of premises within the Shire of Corrigin for at least six (6) months and submits a quotation or tender for the supply of goods and/or services.

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

This policy applies to all Shire of Corrigin quotations or tenders unless Council resolves that this policy does not apply to a specific quotation or tender.

**Price Preference**

A preference will be given to a local supplier by assessing their submission as if the price bids were reduced by:

- a) 10% (up to a maximum price reduction of \$50,000) for goods and/or services; or
- b) 5% (up to a maximum price reduction of \$50,000) for construction (building) services; or
- c) 5% (up to a maximum price reduction of \$200,000) for goods and/or services (including construction (building) services) if tenders are being sought for the first time for goods or services currently undertaken by Council.

**Competitive Purchasing**

Whilst price is a competitive consideration in the provision of goods and/or services via quotation or tender, it is only one aspect of the evaluation process. Value for money principles, as described within '2.9 Purchasing Policy' will be employed by assessing the price component in conjunction with the quotation or tender selection criteria and requirements.



## Shire of Corrigin Register of Policies

The quotation or tender that is determined to be both cost effective and advantageous to the Shire of Corrigin will be the most likely to be accepted provided it is in accordance with Council's '2.9 Purchasing Policy'.

### **Roles and Responsibilities**

Employees will use a competitive market for their local purchasing 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 local price preference is clearly identified within the quotation or tender documents to which the preference is to be applied.