**A10 REGIONAL PRICE PREFERENCE POLICY**

**Administration**

**PREAMBLE:** To provide for a price preference framework for the purchase of goods and services from local Shire of Kulin suppliers.

**OBJECTIVE:**  The policy aims to deliver a higher than average take-up of local supply, by detailing the extent of consideration the local suppliers will receive as opposed to non-local supply.

In terms of definition; local versus non-local can be determined from the originating source of the goods or service, as opposed to the Shire of Kulin based supplier of such goods and service.

**PRACTICE:**

**General Purchasing (other than Tenders)**

When officers seek quotations or purchase goods or services, quotes must be obtained from businesses (if in existence) that could provide the goods or services required that are located within the Shire of Kulin.

**Tenders – Regional Price Preference**

That a Regional Price Preference will be provided to businesses operating within the boundary of the Shire of Kulin for all goods and services in accordance with Regulation 24D of the Local Government (Function and General) Regulations 1996.

* Up to 10%-where the contract is for goods and services, up to a maximum reduction of $50,000 on total cost.
* Up to 5%-where the contract is for construction (building) services, up to a maximum price reduction of $50,000, or
* Up to 10% where the contract is for goods or services (including construction services), up to a maximum price reduction of $500,000 if the Local Government is seeking tenders for the first time, due to goods or services previously being undertaken by the Shire of Kulin.

A copy of this policy must be supplied with each tender document.

The Regional Price Preference Policy will apply to all tenders unless otherwise resolved by Council and information that outlines the power of the Council to make that decision is to be included in the Tender advertising and specifications. (i.e. the lowest or any Tender not necessarily accepted)

**Other**

When the provision of goods or services is not being sought by tender the following preference will be provided to local suppliers whose business is based within the Shire of Kulin and the product quality is comparable.

5% for any purchase up to $3,000

2% for any purchase between $3,001 and $49,999

**HEAD OF POWER:** Local Government Act 1995, Regulation 24D of the Local Government (Function and General) Regulations 1996.