

## HEAD OF POWER

- *Local Government Act 2009*, section 104
- *Local Government Regulation 2012*, Chapter 6 – Contracting

## INTENT

The purpose of this policy is to provide a local content framework that provides an enhanced opportunity for businesses in the Bundaberg Regional Council local government area when quoting and/or tendering to supply Council.

## SCOPE

This policy applies to all employees.

## DEFINITIONS

**Employee** means a local government employee as defined pursuant to the *Local Government Act 2009*.

**FTE** means full-time equivalent and is a unit that indicates the hours worked of an employee.

**Local government area** means the Bundaberg Regional Council area as gazetted by the Queensland Government and referenced at [www.qgso.qld.gov.au/issues/10941/qld-lga-asgs-2021-bundaberg.pdf](http://www.qgso.qld.gov.au/issues/10941/qld-lga-asgs-2021-bundaberg.pdf).

**Local services** means services employed and or hired within the local government area and may include but are not limited to hire of labour, subcontractors, maintenance, repair, overhaul, transport carriers, holding yards, distribution warehouses and/or plant/equipment hire.

**Local supplies** means supplies grown, made and or manufactured within in the local government area and may include but are not limited to goods, materials (natural, raw, semi-finished or finished), products, assembly, fabrication, etc.

**Main business location** means the supplier's current "Main Business Location" as recorded on the ABN Lookup reference site ([www.abr.business.gov.au/](http://www.abr.business.gov.au/)) immediately prior to a contract being awarded for which their offer has been submitted.

**Procurement Board** means a leadership group chaired by Council's Manager Strategic Procurement and Supply to oversee Council's procurement and contracting activities.

**Sound contracting principles** means as defined in the *Local Government Act 2009*.

## POLICY STATEMENT

1. Council is committed to generating positive economic and social outcomes for the community as well as ensuring best value in its procurement activities. This policy has the key objective of enhancing the participation of competitive local businesses in bidding for Council's business.

2. The policy embeds local content principles within Council procurement procedures and practices which:
  - i. Benefit the promotion of value for money with probity and accountability;
  - ii. Advances Council's economic, social and environmental policies; and
  - iii. Increases transparency in procurement local content evaluation.
3. The policy does not mandate that Council must use local suppliers; rather it is about providing a mechanism for Council to be able to transparently consider a range of potential suppliers, when making procurement decisions.
4. The Buy Local Policy is focused on achieving a value for money outcome.
5. The policy requires a 30% local content preferential weighting to be applied to the evaluation criteria for all procurement activities (i.e., goods, services, construction, information, communication, technology, etc.).

This weighting is to be based on categorisations of main business location, local services content, and local supplies content.

To demonstrate the local benefits or effect on the region directly attributable to any contract awarded, in addition to a supplier having their main business location in, and conducting business within the local government area, the purpose of the local services content, and local supplies content categorisations is to determine whether the supplier is providing or is contributing towards:

- Utilisation of Bundaberg regional goods, materials, or services, including locally made products, materials, and/or assembly and fabrication in the region;
- Use of local transport carriers, holding yards or distribution warehouses;
- Use of local supplier/contractors, sub-contractors/supplier and/or labour hire; and
- Local employment, apprenticeships, or other community or local business 'multiplier' benefits or effect on the region.

Buy Local Sub-Categorisations	Local content preferential weighting
5.1 Main Business Location	10%
5.2 Local Services Content	10%
5.3 Local Supplies Content	10%
<b>Buy Local Total Assessment</b>	<b>30%</b>

## 5.1 Main Business Location

Score	Category	Description
10%	A	1. Is a developing or established business in the Bundaberg Regional Council local government area directly employing local FTEs (includes sole traders); or 2. An incorporated registered charitable organisation and/or an incorporated bona fide community organisation operating a business directly employing local FTEs; or

Score	Category	Description
		3. An indigenous business within the local government area directly employing local FTEs.
8%	B	Has a branch office within the local government area directly employing a minimum of 10 FTEs (not contractors).
6%	C	Has a branch office within the local government area, established for a minimum of 6 months, directly employing less than 10 FTEs (not contractors).
4%	D	Has a business in the adjacent local government areas (Gladstone, North Burnett, Fraser Coast).
2%	E	Is a Queensland business.
1%	F	Is an interstate business.
0%	G	Is an overseas business.

A Category "A" business, is a business that:

- Has its main business location in and conducts business within the local government area (includes sole traders) prior to a contract being awarded for which their offer has been submitted; (noting that it may also conduct business outside of the local government area); or
- Is an incorporated registered charitable organisation and/or an incorporated bona fide community organisation operating a business directly employing local FTEs within the local government area; or
- Is an indigenous business in the Council area directly employing local FTEs within the local government area.

Any branch office (Category B or C business) must:

- Be a branch office of the business submitting the offer, not of a subsidiary or parent company and the supplier's registered main business location is outside of the local government area; and
- Constitute a physical address within the local government area, not a post office box, other mailing address, or short-term (less than 12 months) temporary leased premises or desks.

Remaining proximities (adjacent local government, Queensland, interstate, and overseas locations) are determined by the location of the supplier's main business location or head office otherwise.

## 5.2 Local Services Content

To determine the cost of local services content, suppliers are to provide and detail as part of any offer to Council, a dissection of the cost of local services content included in their total financial offer.

The level of detail is to be limited to head/lead supplier (1<sup>st</sup> Tier) and then first level of subcontractors and suppliers (2<sup>nd</sup> Tier). Local services content below these levels will not be included in the calculations for policy assessment purposes.

The calculated percentage of the cost of local services employed and or hired within the local government area will be attributed a preferential weighting toward the supplier's overall

buy local benefit scoring for evaluation purposes.

Weighting to be attributed	Cost of Local Services employed and/or hired within the local government area percentage of total financial Offer*
10 %	>80 - 100%
8%	>60% - 80%
6%	>40% - 60%
4%	>20% - 40%
2 %	1% - 20%
0 %	< 1 %

*\* Percentage calculations are to be round to nearest whole numbers for purposes of categorisation assessment.*

### 5.3 Local Supplies Content

To determine the cost of local supplies content, suppliers are to provide and detail as part of any offer to Council, a dissection of the cost of local supplies content included in their total financial offer.

The level of detail is to be limited to head/lead supplier (1<sup>st</sup> Tier) and then first level of subcontractors and suppliers (2<sup>nd</sup> Tier). Local supplies content below these levels will not be included in the calculations for policy assessment purposes.

The calculated percentage of the cost of local supplies grown, made and or manufactured within in the local government area will be attributed a preferential weighting toward the Supplier's overall Buy Local benefit scoring for evaluation purposes.

Weighting to be attributed	Cost of Local Supplies grown, made and or manufactured within in the local government area percentage of total financial Offer *
10 %	>80 - 100%
8%	>60% - 80%
6%	>40% - 60%
4%	>20% - 40%
2 %	1% - 20%
0 %	< 1 %

*\* Percentage calculations are to be round to nearest whole numbers for purposes of categorisation assessment.*

- Council employees may exercise reasonable discretion to consider sound contracting principles when evaluating tender results.

7. Professional services procurement activities will be considered for exclusion from the scope of this Policy (subject to the review and approval by the Procurement Board of a Premarket Plan submission) where the scope of the procurement is predominantly the application of specialised knowledge and other intangibles.
8. For contracts under \$200,000 (exclusive of GST), Council reserves the right to invite only local businesses in the local government area to quote or tender.

## **ASSOCIATED DOCUMENTS**

- Procurement and Contract Manual
- Procurement Policy
- Employee Code of Conduct

## **DOCUMENTS CONTROLS**

Council will review this policy biennially or in response to changes in law or best practice.

## **POLICY OWNER**

Manager Strategic Procurement and Supply.