

POLICY NAME: LOCAL PROCUREMENT
POLICY REF: L03
MEETING ADOPTED: 25 October 2018
Resolution No. 251810/28
POLICY HISTORY: 260913/31



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OBJECTIVE

The objective of this policy is to provide support to the local economy through Council's procurement practices.

POLICY

Council is committed to providing best value services to the community. Best value does not always mean lowest price as there are many other factors that need to be considered in selecting a provider of goods or services.

These factors include items such as relevant experience, financial resources, local knowledge, impact on the local economy and legislative responsibilities. These factors are all assessment criteria that may be used in the evaluation of quotations and tenders for goods and services to Council.

Council policy is to purchase goods and services firstly from suppliers within the Ballina Shire, secondly from adjoining local government areas (LGAs) due to the high level of interdependence between the LGAs, thirdly from the balance of the LGAs in the Northern Rivers region and finally from outside the region.

Due to legislation such as the Trade Practices Act, the purpose of which is to enhance the welfare of Australians through the promotion of competition and fair trading and provides for consumer protection, it is important that Council only supports local suppliers where Council is of the opinion that it can support such a selection. This support will be demonstrated by the application of selection criteria to the assessment of procurement decision.

The responsibility for the selection of the criteria and associated weightings for a quotation or tender assessment will rest with Council staff overseeing the procurement process, subject to any matters reported to the elected Council for determination.

Local Supplier – Consideration

Council policy is to ensure that the criteria applied always includes recognition of the impact of the procurement decision on the local economy through the application of criteria that evaluates the benefit of that procurement to the local economy.

Council policy is to support local suppliers where we consider the benefits of that support to our local economy outweigh any additional costs incurred in the procurement of the goods and services.

To support the local economy Council will include in any formal quotation and tender process an evaluation criterion referred to as “Social and Community” that identifies attributes that reflect the supplier’s presence and economic contribution to the Ballina Shire.

The attributes included in this criterion will include, but not be limited to:

- Knowledge and experience with the local conditions – whether the supplier is a locally based business and / or whether they have worked locally
- Social impact on local economy – local jobs created, maintained or lost
- Level of local and Australian content – whether products and materials are sourced locally
- Alignment with Council’s Community Strategic Plan (CSP) – whether the manner in which the product and or service is consistent with the directions outlined in Council’s CSP.

The weighting provided for Social and Community in any quotation and tender assessment will be a minimum of 15%, with higher weightings allowed, where there is considered to be the potential for a significant impact on the local economy through a Council procurement decision.

State Government Contracts and Local Government Procurement

A number of contracts are available from through tenders completed by the NSW State Government and Local Government Procurement (LGP), with LGP being fully owned by the NSW Local Government and Shires Association.

Council supports the use of State Government Contracts and LGP due to the reduction in administrative costs and the benefits typically achieved through bulk purchasing.

Where purchases are conducted through these organisations Council accepts that the social and community criterion may not be able to be assessed as the evaluation has already been completed by the State Government or LGP.

Environment, Social and Economic Impacts

In addition to consideration of the impact on the local economy any Council procurement decision will also provide consideration to the environmental, social and economic impacts of that decision.

BACKGROUND

As a public authority Council is required to comply with legislation in respect to its procurement of goods and services (i.e. Local Government Act and Regulations, Trade Practices Act). Often compliance requires Council to call for quotations or tenders that result in more than one response being received. The responses must then be evaluated against each other.

There is a range of criteria and weightings that can be applied in an assessment process and it is important that Council staff and consultants fairly and equitably set that criteria.

Council also wishes to support local suppliers through our procurement practices and this policy outlines how that support will be provided in the procurement assessment process.

DEFINITIONS

Criterion	An attribute / characteristic that is comparable across a range of suppliers for a particular good or service. Normally at least three criteria will be applied to assist in comparing suppliers.
Local	A supplier is defined as local when they have an office located within the Ballina Shire local government area.
Quotation	An estimated price provided by a supplier for the supply of goods or services. Quotations are typically sought for purchases under \$150,000 (inclusive of GST) in value. The seeking of the quotation may be through an advertised process or by direct contact.
Tender	An advertised process for the supply of goods or services which must be conducted in accordance with the Local Government Act. This typically relates to a contract which has a value of over \$150,000 (inclusive of GST).
Weightings	The percentage weighting given to each criterion in the assessment process.

SCOPE OF POLICY

This policy applies to:

- All Council staff involved in the procurement process
- Any contractors or consultants appointed by Council to assist with procurement
- Councillors

RELATED DOCUMENTATION

Related documents, policies and legislation:

- Local Government Act 1993
- Local Government (General) Regulations 2005
- Tendering Guidelines for NSW Local Government 2009
- Trade Practices Act 1974

In addition to this documentation bodies such as the NSW Division of Local Government, NSW Ombudsman, Independent Commission Against Corruption (ICAC) and the Australian Competition and Consumer Commission (ACCC) are all in a position to monitor local authorities to ensure that any procurement process complies with the relevant legislation.

REVIEW

This policy is to be reviewed every four years.