

LOCAL PREFERENCE POLICY

ADMINISTRATIVE POLICY



1 Scope

This policy applies to the procurement of goods and/or services by Rockhampton Regional Council.

2 Purpose

The purpose of this policy is to provide a standard process that encourages local businesses to tender or quote in competition with businesses operating outside of the Region.

3 Related Documents

3.1 Primary

Nil

3.2 Secondary

Local Government Act 2009

Local Government Regulation 2012

Purchasing Policy – Acquisition of Goods and Services

4 Definitions

To assist in interpretation, the following definitions apply:

Business Branch	An approved office location, accessible to the public, where business is conducted.
CEO	Chief Executive Officer A person who holds an appointment under section 194 of the <i>Local Government Act 2009</i> . This includes a person acting in this position.
Council	Rockhampton Regional Council
Employee	Local government employee: (a) The CEO; or (b) A person holding an appointment under section 196 of the <i>Local Government Act 2009</i> .
ex GST	Excluding Goods and Services Tax
Local Preference	In the context of this policy, refers directly to Council's commitment to the development of competitive local business and industry.
Qtenders	The e-procurement tendering system utilised by Council.
Region	Rockhampton Regional Area defined by the Local Government Areas of Queensland.

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Standing Offer Arrangement	An agreement subject to specified terms and conditions whereby the purchaser agrees to purchase their requirements of a range of goods or services, during a specified time period from the supplier at agreed prices or on an agreed price basis. Normally no obligation to purchase a specified quantity exists although estimates for the guidance of the supplier may be given.
Suppliers	A person, organisation or entity that performs a specific act or acts including the provision of services and/or materials to another person, organisation or entity under an agreement enforceable by law.
Tenderer	The person, company or other entity (suppliers) submitting an offer to perform the specified works or supply the specific goods.
Utilities	Essential goods or services such as electricity, telecommunications, water, postage and fuel.

5 Policy Statement

Council is committed to the sound contracting principles of:

- (a) Value for money;
- (b) Open and effective competition;
- (c) The development of competitive local business and industry;
- (d) Environmental protection; and
- (e) Ethical behaviour and fair dealing.

5.1 Development of Competitive Local Business and Industry

In order to enhance the capabilities of local business and industry, employees issuing invitations to suppliers will:

- (a) Advertise tenders on Council's website and the Qtenders website for tenders and quotes;
- (b) Actively seek out potential local suppliers and encourage such suppliers to submit an offer where they are qualified and able to meet the requirements of the scope of work or goods;
- (c) Ensure local suppliers are given equal opportunities to respond and are treated without prejudice; and
- (d) Encourage local suppliers to do business with Council.

5.2 Local Preference Evaluation and Weighting Criteria

Council's preference is, all things being equal, to purchase locally. The below ratings are applied when evaluating tenders and quotes:

Criteria	Rating	Supporting Business
Business head office set up and run locally within the Region.	12	With the commitment to local businesses and economy.
Business branch operating within the Region, with head office outside of the Region.	8	With commitment to local economy.
Business based outside of the Region employing local staff from within the Region.	5	Minor impact on local economy.

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Criteria	Rating	Supporting Business
Business set up and run outside of the Region but within the Central Queensland Region. The Central Queensland Region includes the local government areas of: (a) Banana Shire Council; (b) Central Highlands Regional Council; (c) Gladstone Regional Council; (d) Livingstone Shire Council; and (e) Woorabinda Aboriginal Shire Council.	3	Within Central Queensland.
Business operating outside of the Central Queensland Region.	0	

Following determination of the correct rating as defined above, a minimum weighting of **12%** for local preference is applied to the rating to calculate the final score.

Local preference is not mandatory for tenders for the Lease of land or other premises. However, where applicable, local preference may be included at the discretion of the tender evaluation panel.

5.3 Local Preference Weighting for Major Contracts Greater than \$1M (ex GST)

In an effort to balance the sound contracting principles of value for money and developing competitive local business and industry, the minimum weighting for major contracts greater than \$1M (ex GST) will be **5%**.

5.4 Locality Preference

When engaging suppliers from a register of pre-qualified suppliers, preference should be given to suppliers available within the locality of the works or operations.

5.5 Tenderer Local Content – Contracts \$200,000 (ex GST) or more

Council is committed to developing the regional economy; as such it is important that tenderers can demonstrate their commitment to purchasing goods and services from suppliers/sub-contractors within the Region.

For contracts with a value of \$200,000 (ex GST) or more, the tenderer must, as part of their tender submission, provide details of and/or nominate local suppliers and sub-contractors for the goods and services proposed for use in the project.

A weighting of **10%** applies for Tenderer Local Content, with the following scoring allocation:

Criteria	Rating	Supporting Business
Tenderer provides details and nominates local suppliers and/or sub-contractors for goods and services for use in the project to a minimum value of 50% of the contract sum (ex GST).	10	Demonstrated commitment to using local suppliers and sub-contractors.
Tenderer provides details and nominates local suppliers and/or sub-contractors for goods and services for use in the project to a minimum value of 30% of the contract sum (ex GST).	5	Partial commitment to using local suppliers and sub-contractors.
Tenderer does not commit to using local suppliers and/or sub-contractors.	0	

Paragraph 5.5 does not apply to tenders for the supply of utilities or the establishment of standing offer arrangements as the scope of work or quantities are unknown at the time.

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6 Review Timelines

This policy is reviewed when any of the following occur:

- (a) The related information is amended or replaced; or
- (b) Other circumstances as determined from time to time by Council.

7 Document Management

Sponsor	Chief Executive Officer
Business Owner	Deputy Chief Executive Officer
Policy Owner	Manager Corporate and Technology Services
Policy Quality Control	Legal and Governance



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