

POLICY



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Policy title: **PROCUREMENT - BUY LOCAL**

Directorate: ORGANISATIONAL SERVICES

Branch: ADMINISTRATION

Policy objective: Develop competitive local businesses and industry by providing a governing framework to maximise opportunities for local businesses when bidding for Council’s contracts.

Policy Statement:

This policy enables Council to support both local businesses and employers who decide to develop their operations in the City of Logan. Pursuant to the Local Government Act 2009 (QLD) s104, consideration must be given to the sound contracting principles for the development of competitive local business and industry. Council plays a vital role in ensuring local businesses and industry are given every opportunity to compete for Councils business. This policy also supports the approach of the Queensland Government Procurement Strategy 2017 'Backing Queensland Jobs'.

This policy acknowledges that value for money goes beyond choosing the cheapest price and instead considers the potential investment in local businesses and genuine employment opportunities for Logan businesses. This might include creating new jobs, ensuring sustainability of existing local jobs or upskilling local workforces and creating new opportunities.

In accordance with the *Local Government Act 2009*, *Local Government Regulation 2012* and the Logan City Council Procurement Policies Manual, Council must invite written quotations when entering into a medium sized contractual arrangement with a supplier between the value of \$16,500 - \$219,999 (incl. GST) and invite public tenders when entering into a large sized contractual arrangement over \$220,000 (incl. GST).

By prioritising the use of local businesses we are putting our community first in creating and supporting quality local jobs that create genuine connections within the community, and help to reduce long-term unemployment.

Definitions:

Term	Definition
Local business	A supplier of goods, services or works who maintains a workforce and whose business premise is physically located within the City of Logan's Local Government boundary.
Procurement/contracting activity of a local government	Activities for the making of a contract for: <ul style="list-style-type: none"> • the carrying out of work or the provision of goods and services; or • the disposal of valuable non-current asset.

Term	Definition
Local business boundaries	All businesses that are within the City of Logan's Local Government boundaries
Outside local business boundaries	A business who is located outside the City of Logan's Local Government boundaries and that have mandated and demonstrated that they will or intend to use local businesses or staff in the delivery of the contract outcomes.

Local Business Invitation Process:

Council utilises an online gateway portal through VendorPanel (MarketPlace) for businesses to register and promote themselves to Council. This portal offers an easier, faster and more targeted way of finding local businesses for different services and expertise.

MarketPlace is used by Council staff when there is no contract in place and when the procurement value is estimated to be between \$16,500 to \$219,999 (GST incl.). This process makes it easier for Council staff to engage with local businesses and in turn gives greater access for suppliers to gain Council opportunities.

MarketPlace provides Council with access to a geographic proximity tool to assist Council officers with locating and requesting quotes from local businesses.

Quotation Process (\$0.01 - \$3,000 incl. GST):

Council staff must source quotes from local businesses only in the first instance. Only when local businesses cannot supply, are deemed not suitable/capable or do not represent value for money, can other quotations be sought, outside of the local business boundaries.

Quotation Process (\$3,001 - \$16,499 incl. GST):

Council staff must invite two (2) verbal quotes (documented) from local businesses only in the first instance. Only when local businesses cannot supply, are deemed not suitable/capable or do not represent value for money, can other quotations be sought, outside of the local business boundaries.

Quotation Process (\$16,500 to \$219,999 incl. GST):

A minimum of three (3) written quotations must be invited to potential bonafide businesses through MarketPlace for any procurement activity where the total expected contract value is estimated to be between \$16,500 and \$219,999 (incl. GST).

A minimum of one (1) out of the required three (3) quotations must be sought from a local business. If a suitably capable local business does not exist, consideration will be given to suppliers outside local business boundaries.

Public Invitation Tender Process (\$220,000 incl. GST):

A mandatory fifteen percent (15%) **Local Business** weighting is to be used and will be included in Councils non-price scoring criteria for all Request for Tender or Expression of Interest activity, allocated as per the below table;

Buy Local Point Scoring Methodology (as per Council’s Procurement Policy Manual):

Score	Description (based on ABN or other relevant checks to validate businesses head office and branch locations)
15%	A local business that has been established and conducted business within the City of Logan's boundaries for twelve (12) months or more.

Score	Description (based on ABN or other relevant checks to validate businesses head office and branch locations)
10%	<p>A local business that has been established and conducted business within the City of Logan's boundaries for less than twelve (12) months.</p> <ul style="list-style-type: none"> • Additional 1% score where their business directly employs a minimum of 10 (ten) full time equivalents (not contractors) for the purpose of the contract within the City of Logan boundaries. <p>Additional 1% score where fifty percent (50%) or greater of goods and/or services, plant and equipment will be sourced for the purpose of the contract within the City of Logan boundaries.</p>
5%	<p>A business within an adjacent/surrounding Local Government area (Gold Coast, Redlands, Ipswich, Scenic Rim or Brisbane).</p> <ul style="list-style-type: none"> • Additional 1% score where their business directly employs a minimum of 10 (ten) full time equivalents (not contractors) for the purpose of the contract within the City of Logan boundaries. • Additional 1% score where fifty percent (50%) or greater of goods and/or services, plant and equipment will be sourced for the purpose of the contract within the City of Logan boundaries.
0%	<p>All other businesses.</p> <ul style="list-style-type: none"> • Additional 1% score where their business directly employs a minimum of 10 (ten) full time equivalents (not contractors) for the purpose of the contract within the City of Logan boundaries. • Additional 1% score where fifty percent (50%) or greater of goods and/or services, plant and equipment will be sourced for the purpose of the contract within the City of Logan boundaries.

Outcomes:

To give local businesses the opportunity to quote or tender on Council's goods, services and works. This policy will assist in supporting local businesses and create the opportunity for businesses to grow their business and create employment opportunities within the City of Logan.

Related policies/legislation/other documents:

DOC ID	DOCUMENT TYPE	DOCUMENT NAME
5962134	Policy	Procurement
11011721	Policy	Social Procurement
7172216	Policies and Procedures	Procurement Policies Manual