

Policy Details

Directorate:	Organisational Services
Branch:	Administration
Responsible Manager:	Administration Manager
Date adopted:	28/04/2021 (minute number 214/2021)
Date for review:	2 years from the date of adoption or date of last review
Legislative basis:	Local Government Act 2009 Local Government Regulation 2012
Related Documents - forms and procedures	Policy - Procurement (DM: 5962134) Policy – Social Procurement (DM: 11011721) Procedures – Procurement Policies Manual (DM: 13644618)

1. Policy Purpose

The purpose of this policy is to develop competitive local businesses and industry by providing a governing framework to maximise opportunities for local businesses when bidding for Council’s contracts.

The outcome of this policy is 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.

2. Scope

This policy applies to all Council employees and contractors working for Council regardless of whether they are permanent, temporary, full-time, part-time or casual, in all instances where Council is procuring goods and services, entering into contracts for the carrying out of work and the disposal of non-current assets.

For the purposes of this policy, the term contractor includes on-hired temporary labour services (agency staff) and sub-contractors.

3. 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 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 (best value). 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).

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.

Quotations (\$0.01 - \$16,499 incl. GST):

Council staff must source quotes from suitably capable local businesses in the first instances. Only when local businesses cannot supply, are deemed not capable or do not represent value for money, can other quotes be sourced from businesses outside of the local business boundaries.

Quotations (\$16,500 - \$219,999 incl. GST):

Council staff must invite a minimum of three (3) written quotes from suitably capable businesses. In the first instances, quotes must only be sourced from local businesses. Only when local businesses cannot supply, are deemed not capable or do not represent value for money, can other quotes be invited from businesses outside of the local business boundaries.

In instances where the supply market does not exist in Logan (with evidence to support), the quotation will include the identification of local benefits to ensure best value decision making. The relevant delegated authority to the procurement expenditure must be satisfied that such decision making reflects the most advantageous outcome for Council.

Tender and Expression of Interest (≥\$220,000 incl. GST):

For all tenders and expressions of Interest, Council will:

- Identify if the tender or expression of interest can be targeted to or adapted to encourage local participation.
- Identify the barriers and limitations of the local supply market and consider opportunities to reduce.
- Develop evaluation criteria and response questions that identify respondents/tenderers overall commitment to local benefits.
- Develop key performance indicators and measure reporting requirements for local benefits.

Where the supply market in Logan is assessed as being capable, a mandatory ten percent (10%) **Local Business** weighting and five (5%) **local benefits** 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.

Local Business weighting is to be scored as below in order of preference:

Description	Weighting
Logan based business	10%
South East Queensland business	6%
Queensland business	4%
Australian business	2%
Overseas business	0%

In instances where the supply market does not exist in Logan (with evidence to support), a mandatory fifteen (15%) **Local Benefits** non-price evaluation weighting criteria is applied to deliver local growth and economic contribution. This will be reported to reflect 'Local Benefit Business'.

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.

Procurement Policies Procedure

All decisions and/or actions made under this policy must be made in accordance with the Procurement Policies Procedure (DM: 13644618).

4. Definitions

The following definitions apply to this policy and the associated procedure.

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; orthe disposal of valuable non-current asset.
Local Business Boundary	All businesses that are within the City of Logan's Local Government boundaries
Local Benefit Business	A business who is located outside the City of Logan's Local Government boundaries that have committed to achieve local benefit outcomes that create local business development opportunities to increase local jobs and stimulate the Logan economy.
Local Benefits	A commitment to putting Logan jobs first. This may include creating new jobs, ensuring sustainability of existing local jobs or upskilling local workforces; and/or A commitment to local development initiatives and growth initiatives for the local market and community. These potential examples may include but are not limited to: <ul style="list-style-type: none">Sourcing goods, services, plant and/or equipment for the purpose of the contract from Logan businessesInvesting in local apprenticeship and trainee schemesProviding new jobs, skills transfer and local training and career development opportunitiesMember of the Chambers of CommerceIntroducing new innovations that foster new markets and eco-systems in the local market
Best Value	Best Value considers financial and non-financial costs and benefits. This includes competitive whole-of life pricing, with the ability to generate a blend of social, economic and environmental outcomes for the City of Logan.

Document Control

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Amendment History

Version Number	Description of Change	Author / Branch	Date
1.0	Original version	Administration	28 April 2021