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## LOCAL PREFERENCE

### APPROVALS

<b>POLICY NUMBER</b>	STAT-POL-086	<b>DOC.ID</b>	4593026
<b>CATEGORY</b>	Statutory		
<b>POLICY OWNER</b>	Contracts and Procurement		
<b>APPROVAL DATE</b>	28 May 2024	<b>RESOLUTION NUMBER</b>	8736

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## OBJECTIVE

There are five (5) sound contracting principles included in the *Local Government Act 2009 Part 3 section 104(3)*:

- a. value for money; and
- b. open and effective competition; and
- c. the development of competitive local business and industry; and
- d. environmental protection; and
- e. ethical behaviour and fair dealing.

In accordance with section 104(3)(c) of the *Local Government Act 2009*, Council wishes to encourage the development of competitive local business and industry when procuring the supply of goods and/or services (including works).

## SCOPE

This policy applies to all procurement and contracting activities undertaken by Isaac Regional Council officers, temporary employees, contractors, and consultants whilst engaged by Council.

## DEFINITIONS

TERM / ACRONYM	MEANING
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/IRC	Isaac Regional Council
Employee	A Local Government Employee, including: <ol style="list-style-type: none"><li>a. the Chief Executive Officer; or</li><li>b. a person holding an appointment under section 196 of the <i>Local Government Act 2009</i></li></ol>
Large-sized Contractual Arrangement	A contractual arrangement with a supplier that is expected to be worth \$200,000 or more (excl GST) over the proposed term of the contract. As defined within the <i>Local Government Regulation 2012</i> , Default Contracting Procedure (s224(3)).
Local Supplier	A supplier which (as determined by Council): <ol style="list-style-type: none"><li>a. has its principal place of business within the Isaac Region; or</li><li>b. otherwise operates an office or branch within the Isaac Region which substantially employs persons who are residents of the Isaac Region; or</li><li>c. is beneficially owned by persons who are residents or ratepayers in the Isaac Region.</li></ol>
Neighbouring Council	A council that shares an adjoining boundary with IRC

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Non-Local Supplier	A supplier which is not a local supplier
Procurement Request	A request via tender or quote to procure goods and/or services
The Act	<i>Local Government Act 2009</i> (as amended)
The Regulation	<i>Local Government Regulation 2012</i> (as amended)

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## POLICY STATEMENT

### Council's/Management's position on matter

Council acknowledges that economic benefits flow to all local businesses where Council maximises opportunities for local suppliers to compete for Council's business on the basis of value-for-money. The Council's Local Preference Policy aims to use Council's procurement actions to encourage and support local suppliers and support local economic activity, where it is efficient and cost effective to do so, while achieving the Council's 'overall value-for-money' objectives. This approach seeks to maximise overall community benefit for the Council area where possible within given regulatory and budgetary constraints.

### Guiding principles

Council's obligation to have regard to the five (5) sound contracting principles will naturally involve questions of degree. Council may accept a tender or quote from a Local Supplier in preference to a comparable tender or quote from a Non-Local Supplier in consideration of other local community benefits involving regional employment opportunities, traineeships, corporate social responsibility programs, and environmental, cultural and heritage aspects.

This includes when the tender or quote from the Non-Local Supplier has been assessed as more favourable, as long as the overall differences are not substantial, and it is clear that the selected Local Supplier is capable of performing the requirements at an acceptably high standard.

However, a contract should not be awarded on the basis of local preference where a Local Supplier's tender or quote exhibits questionable, or only marginal, ability to perform Council's requirements at the required standard as compared to other tenders or quotes from Non-local suppliers.

Notwithstanding this Local Preference Policy, an assessment of responses to a Procurement Request must consider and evaluate several criteria in conjunction with price and locality considerations. The following non-price factors (where relevant) may be included in the evaluation criteria:

- availability and access to after-sales service and maintenance;
- quality, type and availability of goods or services;
- advantages in dealing with a local supplier, including administrative and operational efficiency;
- the proportion of Local Content to be supplied;
- whole-of-life costs of the purchase or contract;
- compliance with specifications, guidelines and requirements;
- the supplier's knowledge, experience and ability to fulfil the requirements of the contract or purchase;

- the supplier's commitment to supporting local businesses and the local economy through sub-contracting and other supplier arrangements;
- net benefits to the Region, including economic benefits; and
- all other factors relevant to consideration of the particular Procurement Request.

## Evaluation process

Where possible, Council shall attempt to obtain quotes from at least one local supplier.

For the purpose of conducting a comparison and evaluation of submitted offers, the local preference criteria will attract a weighting of 10% of the overall assessment criteria. Large-sized contractual arrangements, which require the use of sub-contractors, will be assessed on the percentage attributable to local content. The weighting shall be split so that the weighting for the location of the Principal Contractor is 5% and the aggregate location of subcontractors is 5%.

Scoring will be applied in accordance with the following scale:

- 10/10 – Local Vendors (as defined in this policy)
- 7/10 – Vendors in Neighbouring Council regions
- 5/10 – Vendors within the broader regions of Queensland
- 3/10 – Vendors based Interstate

## Actions required to ensure compliance

Details of contractual arrangements as required under Section 237 of the *Local Government Regulations 2012*, shall be published accordingly.

Evaluations for tenders and Request for Quotations are to be retained by the Contracts and Procurement Department and will be made available to Council or the Audit and Risk Committee, if and when required.

## Roles, responsibilities, accountabilities and consequences related to delivery of the policy

The Manager - Contracts and Procurement is responsible for ownership, maintenance and review of this policy in accordance with changes in relevant legislation, regulations, standards, Council policies or directives.

Operational oversight is the responsibility of department Directors, to ensure employees are aware of the requirements and operation of this policy.

## LEGISLATIONS AND RELATED GUIDELINES

- *Local Government Act 2009*
- *Local Government Regulations 2012*

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- *Competition and Consumer Act 2010*

## REFERENCES

ID	NAME
CORP-POL-122	Procurement Policy