

**POLICY NAME:** DRAFT  
LOCAL PROCUREMENT

**POLICY REF:** TBA

**MEETING ADOPTED:** 24 March 2011  
Resolution No. 240311/22

**POLICY HISTORY:**



---

**TABLE OF CONTENTS**

<b>OBJECTIVE .....</b>	<b>1</b>
<b>BACKGROUND .....</b>	<b>1</b>
<b>DEFINITIONS.....</b>	<b>1</b>
<b>SCOPE OF POLICY .....</b>	<b>1</b>
<b>RELATED DOCUMENTATION .....</b>	<b>2</b>
<b>POLICY .....</b>	<b>2</b>
<b>REVIEW .....</b>	<b>3</b>

**OBJECTIVE**

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

**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**

<b>Criterion</b>	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.
<b>Local</b>	A supplier is defined as local when they have an office located within the Ballina Shire local government area.
<b>Quotation</b>	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.
<b>Tender</b>	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).
<b>Weightings</b>	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.

**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.

#### **REVIEW**

This policy is to be reviewed every four years.

**POLICY NAME:** Procurement  
**POLICY REF:** L03  
**MEETING ADOPTED:** 26 September 2013  
Resolution No. 260913/31  
**POLICY HISTORY:** xxx



---

**TABLE OF CONTENTS**

**OBJECTIVE** .....2  
**POLICY** .....2  
    Value of Money .....2  
    Sustainability .....2  
    Local Content / 'Social & Community' .....3  
    Indigenous Communities .....3  
    Prescribed Procurement Contracts .....3  
    Risk Management .....3  
**BACKGROUND** .....3  
**DEFINITIONS** .....4  
**SCOPE OF POLICY** .....4  
**RELATED DOCUMENTATION** .....4  
**REVIEW** .....4

**OBJECTIVE**

This policy sets out Ballina Shire Council's commitment to procure and purchase in accordance with legislation, industry standards and the Council's commitment to ethical, sustainable, transparent and accountable practices.

**POLICY**

The following key principles must underpin all of Council's procurement practices, procedures and decisions:

**Value of Money**

Council is committed to providing best value for money for goods or services. Best value does not always mean lowest price, other non-price factors may need to be considered in selecting the preferred goods/services for Council.

Non-price criteria and their associated weightings used for assessing quotations or tenders are clearly documented and have endorsement by Senior Management. Non-price criteria may include considerations of sustainability; including local content, Indigenous community and risk management.

**Sustainability**

Sustainable procurement takes into consideration the economic, environmental, social and governance impacts of any purchase. Purchasing decisions are to be based on sound principles that maximise the benefit to society and meet community expectations while also protecting against reputation risks.

Council will promote sustainability in their procurement practices, with the consideration of the quadruple bottom line sustainability framework:

- Social Impacts – factors may include local employment, diversity, accessible, ethics, cultural impacts, and social cohesion.
- Environmental Impacts – factors may include pollution, energy use, water use, waste generation, use of toxic chemicals, impacts on air quality, biodiversity, land use and litter, and climate change.
- Economic Impacts – factors may include cost, quality, maintenance and repair costs, replacement parts, total cost over the full lifecycle of the product/service.
- Governance and Leadership – factors may include traceability, accountability, reporting, leadership in the community, and adherence to local government rules and regulations.

Council is to consider the supporting sustainable procurement, through the specific documentation of specifications that outline principle expectations, determining of appropriate non-price selection criteria to the assessment of procurement decisions.

Social Impacts include many factors of consideration, two priorities as supported by Council include Local Content and Indigenous Communities.

---

**Local Content / 'Social & Community'**

Council will support local suppliers where the benefits of that support to our local economy outweigh any additional costs incurred in the procurement of goods and services. This support is demonstrated by the application of selection criteria to the assessment of procurement decisions or the requesting of quotes from the local area.

If reflected as selection criteria, referred to as 'Social & Community', a minimum weighting of 15% is to be applied. Submissions should seek the supplier's presence and economic contribution to the Ballina Shire.

Attributes in assessing this criterion may include, but not 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

**Indigenous Communities**

Council recognises the significance of increasing Indigenous employment and supporting Indigenous business through our procurement practices. Council is to consider the support to the community during procurement, through either the determining of non-price selection criteria to the assessment of procurement decisions or the requesting of quotes from Indigenous businesses.

**Prescribed Procurement Contracts**

Prescribed procurement contracts are available to Council through tenders completed by Local Government Procurement (LGP), Procurement Australia and the NSW Government (ProcurePoint).

Council supports the use these prescribed procurement contracts due to benefits achieved through purchase aggregation, the inherent price advantages this aggregation achieves, and the cost savings achieved through the reduction of administrative costs.

**Risk Management**

Procurement for the provision of services to Council requires suppliers to be compliant with current Environmental, Work Health and Safety and Workers Compensation legislative requirements, as applicable. Suppliers are to be aware and consider these requirements in preparing quotations or tenders for Council.

**BACKGROUND**

Council is required to comply with legislation, regulation and guidelines in respect to its procurement of goods and/or services. This policy is to be read in conjunction with Council's Procurement of Goods and Services Procedure that ensures a transparent probity driven process that can withstand any scrutiny.

A range of criteria and weightings are applied in an evaluation process and it is important that Council fairly and equitably set this criteria and weighting structure.

**DEFINITIONS**

<b>Criteria</b>	An attribute / criteria that is comparable across a range of suppliers for a particular goods or services.
<b>Local</b>	A supplier is defined local when they have an office located within the Ballina Shire local government area.
<b>Quotation</b>	A price provided by a supplier for the supply of goods or services. Typically sought for purchases under \$150,000.
<b>Tender</b>	An advertised process where suppliers tender in submission and price for the supply of goods or services. Typically sought for contracts over \$150,000.
<b>Weighting/s</b>	The percentage weighting given to each criteria in the assessment process.

**SCOPE OF POLICY**

This policy applies to:

- Council employees
- Councillors
- Community members
- Council owned-businesses
  - Gap Road Nursery
  - Caravan Parks
- Committees of Council
- Consultants/Contractors

**RELATED DOCUMENTATION**

Related documents, policies and legislation:

- NSW Local Government Act 1993
- NSW Local Government (General) Regulation 2005
- NSW ICAC Publications and Guidelines
- Competition and Consumer Act 2010
- Local Government NSW - Sustainable Procurement Guide

**REVIEW**

The Procurement Policy is to be reviewed every four years.





MINISTER FOR INDIGENOUS AFFAIRS



Reference: MS17-003178

Cr David Wright  
Mayor  
Ballina Shire Council  
PO Box 450  
BALLINA NSW 2478

Dear Cr Wright

I am writing to inform you about the steps the Commonwealth Government has taken to support Indigenous businesses and to offer assistance for the Ballina Shire Council to procure more goods and services from Indigenous businesses.

On 1 July 2015, the Commonwealth introduced the Indigenous Procurement Policy (IPP), which included a target that 3 per cent of Commonwealth contracts be awarded to Indigenous businesses – reflecting that Indigenous Australians are 3 per cent of the Australian population. An important feature of the IPP is its transparency and accountability, the results of each government department are published every year – you can find the 2016 results on: [www.dpmc.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp](http://www.dpmc.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp).

The Commonwealth already has an annual multi-billion procurement spend, but by giving procurement officers the imprimatur to work with Indigenous businesses that may not have won government contracts before, the Commonwealth is able to leverage this substantial spend to achieve significant outcomes for Indigenous Australians.

In this way, the IPP is a genuine win-win for taxpayers and government. All IPP contracts must demonstrate value-for-money protecting taxpayers' funds but by procuring more from Indigenous businesses the government is supporting more Indigenous jobseekers to find work. That is because we know that Indigenous businesses are far more likely than non-Indigenous businesses to hire Indigenous employees. This helps address one of the collective challenges of all governments, that the Indigenous unemployment rate is 3.6 times the non-Indigenous rate.

I am pleased to say that the IPP has exceeded all expectations. In the first two years since its introduction in 2015, it has resulted in 956 Indigenous businesses around the country winning \$594 million in Commonwealth contracts. These contracts are across the entire spectrum of industries from construction, to uniforms, information and communications technology, recruitment, legal and financial services. Importantly this means more Indigenous Australians in work and compares to just \$6.2 million being won by Indigenous businesses under the Commonwealth's former policies in 2012-13.

Parliament House CANBERRA ACT 2600

## 11.7 Policy (Review) - Procurement.DOC

The Ballina Shire Council, like other Australian governments can play an important role in this initiative. You deliver vital services to local communities every day and can similarly leverage your purchasing power to buy from Indigenous-owned businesses.

The Commonwealth has learned some key lessons from implementing our policies, and the challenges of the former policies. We have also developed useful resources to support the IPP, including funding Supply Nation to deliver a directory of Indigenous businesses called Indigenous Business Direct that makes purchasing from Indigenous businesses easier. I would be happy to work with you on introducing your own version of the IPP or building on your existing policies.

This is in line with the Council of Australian Governments (COAG) meeting of 9 December 2016, where all governments recognised that we hold significant levers to increase Indigenous employment and support Indigenous businesses through public sector employment policies and government purchasing practices. Clearly local government has an important role to play in this, and by adopting similar approaches we can collectively deliver significant outcomes for Indigenous communities.

I look forward to working with you and ensuring that all governments have the policies in place to provide more opportunities and better outcomes for Indigenous Australians. If you would like to discuss these matters further, I would encourage you to contact the Eastern New South Wales Regional Manager on (02) 8262 0800.

I have written in similar terms to all local government bodies, as well as state and territory Ministers with responsibility for Indigenous Affairs.

Yours sincerely



NIGEL SCULLION

4/10/2017