

Regional Procurement Preference Policy

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Policy owner:	Manager Procurement Services
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Purpose

The purpose of this policy is to encourage and support regional businesses and support economic activity within the region, where it is efficient to do so, while achieving Council's overall 'value-for-money' objectives. Council recognises that through supporting regional businesses it can assist in economic sustainability that will flow to social benefits across regional communities.

Council believes that overall policy must be underpinned by sound principles, which are well understood; communicated to the community and staff and is compliant with current legislation.

Council's objectives in establishing this Policy, in conjunction with those contained within Council's Procurement and Disposal Policy POL110 are to:

- Support the regional economy and enhance the capabilities of regional business and industry, while ensuring an equitable approach is undertaken.
- Ensure compliance with Competition and Consumer Act 2010.
- Ensure leading practice policies and procedures are followed in relation to the Procurement Activities for Wagga Wagga City Council.
- Undertake Procurement processes that ensure value for money for the Council.
- Ensure openness, transparency, fairness and equity through the Procurement process to all potential suppliers and buyers therefore strengthening integrity and confidence in the Procurement practices.
- Ensure efficient and consistent purchasing processes are implemented and maintained across Council.
- Ensure compliance with the Government Information (Public Access) Act 2009 ("GIPAA") and the Privacy and Personal Information Protection Act 1998 ("PPIPA"), and associated records management practices and procedures of Council.

Scope

This Policy covers all Procurement Activities above \$250,000 (GST Inclusive) by Wagga Wagga City Council and its employees. This includes all Tenders and all Quotation processes where there are Preferred Supply Contracts or Pre-Qualified Supplier Panels

Wagga Wagga City Council is obliged to call Tenders for the procurement of goods or services with an estimated value exceeding the *Local Government Act 1993* Tender Threshold of \$250,000, or another amount as may be prescribed by the Regulations.

This Policy does not apply to the procurement of goods and services in the following instances:

- a) An emergency situation as defined by the Act;
- b) The purchase is under auction that has been authorised by Council;
- c) The goods or services are being supplied through a renewal or extension of the term of a contract (the original contract) where;
 - i. The original contract was administered through a public Tender process;
 - ii. The invitation for Tenders contained provisions for the renewal or extension of a contract;
 - iii. The original contract contains an option to renew or extend its term; and
 - iv. The supplier's Tender included a requirement for a renewal or extension of the term of the original contract.
- d) A contract that is an environmental upgrade agreement (within the meaning of Part 2A of the *Local Government Act 1993* Section 55)
- e) A contract made with a person or body approved as a disability employment organisation under the *Public Works and Procurement Act 1912* for the purchase of goods or services in relation to which the person or body is so approved
- f) A contract arrangement between Council and the Electoral Commissioner for the Electoral Commissioner to administer the Council's elections, Council polls and constitutional referendums
- g) Where the goods or services are sourced from internal Wagga Wagga City Council sources.

Policy Provisions

Policy Implementation

In procuring goods and services, Council will:

- Encourage a “buy regionally” culture within Council;
- Ensure links to all Tenders, Quotations and Expressions of Interest that are anticipated to be \$250,000 (GST Inclusive) or higher in value are available on Council's website;
- Encourage regional suppliers to participate in Council business by advertising regionally through associated networks and websites, where possible;
- Ensure that procurement policies and procedures do not disadvantage local suppliers;
- Ensure transparency and accountability in Procurement procedures;
- Encourage the use of regional suppliers by contractors whenever goods or services have to be sourced from outside the Regional Joint Organisation Area;
- Apply a Regional Preference Evaluation in favour of regional suppliers, as set out in this Policy;
- Ensure that all Procurement Requests issued by Council clearly state whether and how a Regional Preference will be applied so that respondents to such Procurement Requests are aware of the Regional Preference Policy prior to responding to the Procurement Request;
- Procure goods and services at the best price and best value;
- Comply with statutory obligations;

- Maintain commercial confidentiality; and
- Encourage regional businesses to promote their goods and services to Council.

Ethics and Integrity

Code of Conduct

All Council Officials undertaking Procurement Activities must have regard for the requirements contained in Wagga Wagga City Council's Code of Conduct and shall observe the highest standards of ethics and integrity. All Council Officials must act in a manner that is honest and professional and supports the standing of the Council at all times.

Procurement Principles

The following principles, standards and behaviours must be observed and enforced through all stages of the Procurement Activity to ensure the fair and equitable treatment of all parties:

a) Accountable

Council Officials shall take full accountability for all Procurement decisions and the efficient, effective and proper expenditure or receipt of public monies based on achieving value for money.

b) Compliant

All Procurement practices shall comply with relevant legislation, regulations and requirements consistent with Council policies and the Code of Conduct.

c) Transparent, Honest and Equitable Dealing

Council Officials must ensure that Procurement processes are undertaken on the basis where all potential suppliers, contractors and buyers are treated impartially, honestly and consistently, taking into account the requirements of this Policy.

All prospective suppliers and vendors will have the same information about the procurement to enable them to submit prices, quotations and Tenders on the same basis. Council must adequately test the market in a consistent manner so that potential suppliers and the public have confidence in the outcome.

All processes, evaluations and decisions shall be transparent and fully documented in accordance with applicable policies, audit requirements and relevant legislation.

d) Confidentiality

Any information provided to Council by a potential supplier and contractor shall be treated as commercial-in-confidence and must not be released, other than in the course of Council business, unless authorised by the supplier or relevant legislation.

Confidentiality of commercially sensitive material such as prices, discounts, rebates, profits, manufacturing and product information or other matters which come to notice in the course of official duties, must be maintained at all times.

e) Conflicts of Interest

Council Officials must avoid situations where their private interests' conflict with their Council procurement or disposal duties. Any actual, perceived or potential Conflicts of Interest are to be

identified, disclosed and appropriately managed in accordance with the requirements outlined in Council Policy POL112 Conflicts of Interest.

f) Gifts and Benefits

Council Officials must not by virtue of their position solicit, accept or acquire for any personal advantage, any gift or benefit from contractors or suppliers, both current and potential, or their representatives. Council's commitment to this is detailed in the Code of Conduct.

Value for Money

Value for money is an overarching principle governing Procurement Activities which allows the best possible outcome to be achieved for Council. It is important to note that compliance with the Procurement specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing and service benchmarks.

An assessment of the best value for money outcome for any Procurement Activity should consider both price and non-price factors including:

- All relevant Total Costs of Ownership (TCO) and benefits including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as, but not limited to holding costs, consumables, deployment, maintenance and disposal;
- The technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions, and any relevant methods of assuring quality, including but not limited to an assessment of levels and currency of compliances, value adds offered, warranties, guarantees, repair and replacement policies, ease of inspection, ease of after sales service, ease of communications, service and support;
- Financial viability and capacity to supply without risk of default (competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history);
- A strong element of competition is the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable;
- The safety requirements associated with both the product design and specification offered by suppliers and the evaluation of risk when considering procuring goods and services from suppliers;
- Providing opportunities for businesses within the Regional Joint Organisation Area to be given the opportunity to quote for providing goods and services wherever possible;
- The supplier's commitment to supporting regional businesses and the regional economy through sub-contracting and other supplier arrangements.

Procurement Thresholds and Policy Requirements

The requirements that must be complied with by Council Officials, including Procurement thresholds and processes, are prescribed within the legislation, this Policy, Council's Procurement and Disposal Policy POL110 and Council's Procurement and Disposal Manual.

Determining the Procurement value is to be based on the following considerations:

- Inclusive of Goods and Services Tax (GST);
- The actual or expected value of a contract over the full contract period (including all options to extend); or

- The extent to which it could be reasonably expected that Council will continue to purchase a particular category of goods, services or works and what total value is or could be reasonably expected to be purchased.

Any Procurement Activity must be undertaken in accordance with the Council Official's delegated purchasing authority limit as approved by the General Manager.

No Procurement Activity is to be undertaken until it is approved by an Authorising Officer.

In some cases, suppliers may not respond to a request for quotation. In this instance, Council Officials must provide documentation to demonstrate their attempt to source the required number of quotations, however non-responses should not delay any Procurement Activity unless it would be considered inappropriate to proceed. This shall be determined by the appropriate Authorising Officer.

Regional Preference Evaluation Criteria

Regional Preference is not a price benefit to a Regional Supplier, but rather a quantitative measurement that can be utilised in recognition of the physical presence of the supplier in the Riverina Joint Organisation Area, as well as the demonstrated and/or actual accompanying social and economic benefits that this provides to Council and the regional community. Council acknowledges that in assessing 'overall value for money' the following non-price considerations should be considered (where relevant) in relation to a Procurement Activity:

- Creation of new and/or maintenance of existing local employment opportunities;
- More responsive and readily available servicing support;
- Closer and more convenient communication regarding progress, performance and measurement to enable effective and efficient contract administration and management;
- Encouragement for the relocation of established businesses from outside the region to physically enter, establish and maintain a physical presence ongoing in the region;
- To assist businesses to become sustainable and ongoing;
- To assist local businesses to remain competitive;
- Support for economic growth within the local area; and
- Returning value-added benefits to Council and its ratepayers from the associated regional commercial transactions.

For the purposes of comparing the submissions in relation to the Regional Preference Evaluation Criteria, the criteria will be applied and provided to:

- a. regional suppliers submitting responses to Procurement requests which are assessed with consideration of this Policy; and
- b. non-regional suppliers submitting responses to Procurement requests, which include use of regional content and which are assessed with consideration of this Policy.

The below ratings will be applied when evaluating Procurement Activity where this Policy is applicable:

Criteria	Equivalent Weighting Rating	Supporting Business
Business head office set up and run within the Region	5	With the commitment to regional businesses and economy
Business branch operating within the Region, with head office outside of the Region	4	With commitment to regional economy
Business based outside of the Region employing staff, and/or using resources from within the Region	3	With a minor impact on local economy
Business established and run outside of the Region but within New South Wales.	2	Within the State
Business operating outside of New South Wales.	0	

Regional Preference Evaluation Weighting

Where the Procurement Activity value will be \$250,000 (GST Inclusive) or above, all offers will be subject to this Policy and incorporate Regional Preference Evaluation Criteria with a weighting of 5%.

Obtaining a Regional Preference Score

To be eligible for a score in relation to the Regional Preference Evaluation Criteria, suppliers must specifically detail and explain in their submission to Council's Procurement request the particular facts upon which they rely to establish their eligibility for a score and must provide any evidence of such eligibility as reasonably required by Council.

Records Management

Records of all Tenders, Requests for Quotations and other Procurement Activities must be retained in compliance with the *State Records Act 1998*.

Legislative Context

- *Local Government Act 1993*, Section 55
- *Local Government (General) Regulation 2021*
- *Competition and Consumer Act 2010*
- *Government Information (Public Access) Act 2009*
- *Privacy and Personal Information Protection Act 1998*
- *State Records Act 1998*

Related Documents

- *Local Government Act 1993, Section 55*
- *Local Government (General) Regulation 2021*
- *Competition and Consumer Act 2010*
- *Government Information (Public Access) Act 2009*
- *Privacy and Personal Information Protection Act 1998*
- *State Records Act 1998*
- *Competition and Consumer Act 2010*
- Statement of Business Ethics
- Wagga Wagga City Council – Procurement and Disposal Manual
- Code of Conduct
- Tendering Guidelines issued by the Department Local Government (Version 9 2009)
<https://www.olg.nsw.gov.au/sites/default/files/Tendering-Guidelines-for-NSW-Local-Government.pdf>
- Procurement and Disposal Policy (POL 110)
- Conflict of Interests Policy (POL 112)
- Delegations Policy (POL 060)
- Corporate Purchase Card Policy (POL 053)
- Legislative Compliance Policy (POL 101)
- Risk Management Policy (POL 079)
- Fraud and Corruption Policy (POL 100)
- Public Art Policy (POL 109)
- Commonwealth Indigenous Procurement Policy: 1 July 2015
- Registrar of Indigenous Corporations at: <http://www.oric.gov.au/>
- ISO 20400: Sustainable Procurement
- Guidelines for Managing Conflicts of Interest in the Public Sector produced by the Independent Commission Against Corruption

Responsibilities

The Manager Procurement Services, through the Director Corporate Services is the responsible Officer for matters relating to this Regional Procurement Preference Policy.

The Manager Procurement Services or their delegate from within the Procurement Services team will also be responsible for:

- Oversight of each procurement activity where this Policy is applicable;
- Provision of this Policy in the documentation provided to suppliers for all procurement activities \$250,000 (GST Inclusive) and above;
- Establishing and ensuring the details of each procurement activity for which this Policy applies are recorded with sufficient information to ascertain the success of this Policy;
- Providing a report to Council on an annual basis that outlines the impact of this Policy and recommending whether to retain the Policy or otherwise.

Reporting Requirements

All Procurement Requests resulting in a Regional Preference being applied must be capable of identification and verification through the Council's audit or internal control mechanism.

On an annual basis, the Manager Procurement Services will be required to report to Council the impact of the Policy.

Review Procedures

Subject to the recommendation and subsequent decision of Council, this Policy will be reviewed every four years or in the first twelve months of the new term of Council, whichever is earliest.

Definitions

Term	Definition
Authorising Officer	A Wagga Wagga City Council employee who is registered in the delegation register as authorised by the General Manager to incur expenditure and claims for payment, within a specific monetary limit.
Conflict of Interest	A Conflict of Interest exists where a reasonable and informed person would perceive that you could be influenced by a private interest when carrying out your public duty.
Contract	A Contract is a legally binding agreement between the Council and another Party for the supply of goods and/or services. A Purchase Order is a Contract.
Council Official	Includes employees of Wagga Wagga City Council and Councillors.
Deduction	A fixed amount or percentage that has been authorised to be subtracted from an employee's income.
Expression of Interest (EOI)	An Expression of Interest is used to shortlist potential suppliers before then seeking detailed bids from the shortlisted Tenderers through an RFQ or RFT process.
Grant	A sum of money given by Wagga Wagga City Council to an eligible recipient (grantee) for a particular purpose following an application and assessment process.
Pre-Qualified Supplier Panel List	A list of suppliers that have been appointed for the supply of goods and/or services following a public Tender process undertaken by Council.
Procurement Activity	For the purposes of this Policy, Procurement Activity is restricted to the process involving all activities following the decision that a good or service is required whereby it is anticipated to be \$250,000 (GST Inclusive) or above. It involves the acquisition of goods and services.

Term	Definition
Purchase	The acquisition of a good or service whether placing or transmitting an order orally, in hard copy, electronically via e-commerce, or buying across the counter to achieve council business and is inclusive of purchasing, hire, lease, rental, exchange or any other commercial transaction involving the outlay of funds in return for the provision of goods, services equipment and related services, construction and service contracts. A purchase is not a Reimbursement, a transfer to another organisation of a Deduction, a Refund, a Grant or Sponsorship.
Refund	A repayment of a sum of money.
Regional Content	Means goods or services procured from a supplier or employees living permanently within the boundaries of the Riverina Joint Organisation Area.
Regional Supplier	Means a business, contractor or industry: either permanently based in, or employing staff operating from permanent premises situated within the Riverina Joint Organisation Area for not less than six (6) months prior to the date of the Procurement Request; and Registered or licensed in New South Wales.
Registered Business	Shall mean a company or entity as defined by the Australian Securities and Investment Commission (ASIC) and that also appears as "Active" in the ASIC Business Name Register and as amended from time to time.
Reimbursement	A repayment of funds that have been expended by a Council Official undertaking business on behalf of Wagga Wagga City Council.
Requisitioning Officer	A Wagga Wagga City Council employee who has system access to raise a purchase requisition. This employee will not necessarily have purchasing authority, in which case, the requisition, and associated documentation is forwarded to an Authorising Officer for consideration.
Request for Proposal (RFP)	A Request for Proposal is a document that solicits proposals, often made through a bidding process, by the Council to potential suppliers, which is followed by an RFQ or an RFT process.
Request for Quotation (RFQ)	A Request for Quotation is a process with the purpose of inviting suppliers into a bidding process to bid on specific products or services.
Request for Tender (RFT)	A Request for Tender is a process which is a formal, structured invitation to suppliers to submit a bid to supply products or services.

Term	Definition
Riverina Joint Organisation Area	The Riverina Joint Organisation Area means the Local Government Areas of Bland, Coolamon, Cootamundra- Gundagai, Greater Hume, Junee, Lockhart, and Temora.
Tender	Includes prices, bids, quotations and consultant proposals and means the lodgement of a Tender response containing all requested information and accompanying documentation.
Tender Threshold	The amount in dollars as determined and published in the <i>Local Government Act 1993</i> or associated Regulations.

Revision History

Revision number	Council resolution	Council meeting date
1	Res No: 20/229	29 June 2020
2	Res No: 22/354	17 October 2022