



Our Vision

Nambucca Valley ~ Living at its best

Our Mission Statement

'The Nambucca Valley will value and protect its natural environment, maintain its assets and infrastructure and develop opportunities for its people.'

1.0 Policy Objectives

- Foster economic development by maximising participation of local businesses in the delivery of goods and services.
- Promote effective competition with the supply of goods and services from local businesses including enhancing their capacity to apply, win and deliver goods and services.
- Encourage the inclusion of local businesses and the employment of local residents

2.0 Policy Scope

The Policy recognises that 'overall value-for-money' is about broader economic benefits to the local government area and not just the lowest price. The 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 Buy Local Procurement Policy aims to use Council's procurement actions to encourage and support local suppliers and support economic activity within the local government area where it is efficient to do so, while achieving the Council's overall 'value-for-money' objectives. This approach seeks to maximise overall community benefit.

To "protect" Councillors and staff this Policy **does not** apply to private businesses or services supplied or provided by Councillors, staff and/or their immediate families.

3.0 Definitions

'immediate family' - A spouse or former spouse, de facto partner or former de facto partner, child, parent, grandparent, grandchild or sibling of an employee, or a child, parent, grandparent, grandchild or sibling of an employee's spouse or de facto partner. It includes step-relations (eg. step-parents and step-children) as well as adoptive relations.

'local content' means goods or services procured from a local supplier or employees living permanently in the Nambucca local government area.

'local supplier' means a business, contractor or industry either permanently based in, or employing permanent staff operating from, permanent premises situated within the local government area boundaries for not less than three months prior to the date of the Procurement request; and registered or licensed in New South Wales.

'net cost' means, in relation to a quotation, tender or expression of interest, the total amount quoted or offered by a supplier for the supply of goods or services, including any freight or delivery charges and excluding GST.

'procurement request' means quote or tender under the Local Government Act 1993.

4.0 Policy Content

To assist local industry and local economic development the Council will:

- Encourage a 'buy local' culture within the Council;
- Encourage local suppliers to participate in Council business by advertising in local newspapers, on Council's Facebook site and Website and any other means considered appropriate;
- Ensure that procurement policies and procedures do not disadvantage local suppliers;
- Ensure transparency in Council procurement practices;
- Encourage use of local suppliers by contractors, whenever goods or services have to be sourced from outside the Valley;
- Consider the non-price value-for-money considerations set out in this Policy; and
- Apply a price preference discount in favour of local suppliers, as set out in this Policy.

4.1 Non-price value-for-money consideration

Council acknowledges that in assessing 'overall value-for-money', the following non-price considerations should be taken into account (where relevant) in relation to a Procurement Request:

- 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 suppliers knowledge, experience and ability to fulfil the requirements of the contract or purchase;
- the suppliers commitment to supporting local businesses and the local economy through sub-contracting and other supplier arrangements;
- net benefits to the Valley, including economic benefits; and
- all other factors relevant to consideration of the particular Procurement Request.

Notwithstanding this Policy, an assessment of responses to a Procurement Request must consider all of the above factors, in conjunction with price and locality considerations.

4.2 Price preference discounts

For the purposes of comparing the price tendered by local and non-local suppliers, the price preference discount set out below will be applied and given to:

- Local suppliers submitting responses to Procurement Requests which are assessed in relation to this policy; and
- Non-local suppliers submitting responses to Procurement Requests, which include use of local content and which are assessed in relation to this policy.

4.3 Local supplier discount

For local suppliers who respond to Council's Procurement Requests, Council will assess their response as if their total net cost bid was reduced by 5%. Discounts will be limited to a maximum of \$15,000. With regards to tender criteria, the Business Address Criteria will be given a weighting of 10% with the full 10% given to local business addresses.

4.4 Local content discount

For non-local suppliers who respond to Council's Procurement Requests if at least 25% of the net cost of their response or tender includes or is attributable to local content, Council will assess such response as if the total net cost attributable to local content were reduced by 5%. Discounts will be limited to a maximum of \$15,000.

4.5 Obtaining discounts

To be eligible for either discount, suppliers must specifically detail and explain in their response to Council's Procurement Request the particular facts upon which they rely to establish their eligibility for the discount and must provide any evidence of such eligibility as reasonably required by Council.

4.6 Procedural matters

All Procurement Requests issued by Council must clearly state whether and how a price preference for local suppliers will be applied so that respondents to such Procurement Requests are aware of the Buy Local Procurement Policy prior to the Procurement Request.

If the Buy Local Procurement Policy is applied in a procurement process, the community should be notified and advised of the cost to the community of applying the policy by posting details of the successful supplier, the monetary cost of applying the policy and a brief statement of the rationale behind the policy on Council's website within a reasonable time of award of the tender.

All Procurement Requests resulting in local preferences being applied must be capable of identification and verification through Council's audit and/or internal control mechanisms.

4.7 Overall Local preference

In the event that:

- The net costs bid by a local supplier and a non-local supplier are equal (after calculating any applicable discounts in accordance with this policy);
- Both suppliers otherwise meet the criteria and requirements of the Procurement Request; and
- Each supplier (and its goods and/or services) is otherwise regarded as being 'equal', taking into account the non-price value-for-money considerations set out above,

- Preference will be given to the local supplier. To avoid doubt, normal processes of assessment of non-price considerations still apply, and this policy does not require that the lowest cost tender is necessarily successful. The purpose of this policy is to give preference to local suppliers (compared to non-local suppliers) where all else is equal.

4.8 Implementation

Examples of how the policy may be implemented are shown below.

EXAMPLE 1

A request for quotation for the supply of goods and services attracts the following bids:

- Bid A of \$9,750 (net cost) is received from a non-local supplier, which is using non-local supplies and services. No price preference discount applies.
- Bid B of \$10,000 (net cost) is received from a local supplier within the Valley. A 5% price preference discount applies to the net cost, which is discounted to \$9,500 for comparison purposes.

The local price preference discount is applied as follows:

Quotations received	Preference	Calculation	Total bid for evaluation only
Bid A (non-local supplier) \$9,750	No preference applicable	n/a	\$9,750
Bid B (local supplier) \$10,000	5% price discount is applied	Less 5% of \$10,000 = \$500	\$9,500

Bid B is successful, subject to all other considerations being met. Price paid is \$10,000.

EXAMPLE 2

A tender for contract attracts the following bids:

- Bid A of \$490,000 (net cost) is received from a non-local supplier, which includes local content of \$150,000. Since local content comprises more than 25% of the net cost, a 5% price preference discount applies to the local content component of the bid. The discounted total net cost of the bid is therefore \$482,500 for comparison purposes.
- Bid B of \$497,500 (net cost) is received from a local supplier. A 5% price preference discount applies to the total net cost of the bid. The discount is limited to the maximum discount of 15,000. The total discounted net cost of the bid becomes \$482,500 for comparison purposes.

The local price preference discount is applied as follows:

Tenders received	Preference	Calculation	Total bid for evaluation only
Bid A (non-local supplier) \$490,000	5% price discount is applied to the local content	Less 5% of \$150,000 = \$7,500	\$482,500
Bid B (local supplier) \$497,500	5% price discount is applied	Less 5% of \$497,500 = 24,875 (Max. \$15,000)	\$482,500

Because Bid B comes from a local supplier, and on the basis that all other considerations were equal, Bid B is successful even though the discounted prices were equal. Price paid is the original \$497,500, this costing the Council a notional \$7,500 (i.e. Council could have purchased from non-local supplier for \$490,000).

Where local businesses were sourced to provide goods and services and the local business may not have necessarily provided high quality service outcomes, Council officers will endeavour to communicate with local businesses on ways to improve service delivery into the future.

5.0 Related Procedures or Documents

Procurement of Goods and Services Policy No G12
 Procurement Procedures Manual No ES 06
 Delegations Register
 Local Government Act 1993
 Local Government (General) Regulation 2021
 NVC Statement of Business Ethics
 Competition and Consumer Act 2010
 Fair Trading Act 1987 (NSW)
 Code of Conduct Policy No G 04

6.0 History

Department:	Development & Environment	Last Reviewed	Resolution Number
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