

BUY LOCAL PURCHASING

ST109

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PART 1 - OBJECTIVES

- 1.1 Foster economic development and enhance sustainability of the local economy by maximising participation of local businesses in the delivery of goods and services.
- 1.2 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.
- 1.3 Encourage the inclusion of local businesses and the employment of local residents.

PART 2 - APPLICABILITY

- 2.1 To all purchases unless exclusions under the Strategic Purchasing Policy apply.

PART 3 - DEFINITIONS

3.1 Goods

Tangible, quantifiable material requirements usually capable of being moved or transported that is purchased, rented, leased or hired by Council.

3.2 Local Content

Goods or services procured from a Local Supplier or employees living permanently in the Orange City Council local government area.

3.3 Local Supplier

A business, contractor or industry either permanently based in, or employing permanent staff operating from, permanent premises situated within the Orange City Council local government area.

3.4 Net Costs

The total amount offered by a supplier for the supply of goods (after trade-in where applicable) or services, including freight or delivery charges and any discounts or rebates offered by the supplier.

3.5 Non-Local Supplier

A business, contractor or industry that is not a Local Supplier or Regional Supplier.

3.6 Procurement Request

Any purchasing transaction undertaken by Council.

3.7 Regional Supplier

A business, contractor or industry either permanently based in or employing permanent staff operating from, permanent premises situated within the Central NSW Joint Organisation (CNSWJO) member council jurisdictions, ie, Bathurst, Blayney, Cabonne, Central Tablelands Water, Cowra Forbes, Lachlan, Oberon, Parkes and Weddin.

3.8 Services

Any task, consultancy, work or advice to be performed or provided that is procured by Council. Included are services such as management consultancies, outsourcing, maintenance contracts and agreements, cleaning, waste removal, equipment repairs, external auditors, utilities and services acquired by Council. Excluded are payments made directly to employees, superannuation and pension payments, statutory or involuntary payments, grants, subsidies and transfer payments.

3.9 Shop-Front

An organisation that provides a local address or shop-front only that does not employ significant local resources or where the benefits are not perceived to flow locally.

PART 4 - GENERAL

4.1 This policy only applies when a non-local business is part of the quotation or tender process.

4.2 Specifications for the calling of quotations for the supply of goods and services must state how a percentage price advantage for local suppliers will be applied so that the respondents to such procurement requests are aware of the Buy Local Purchasing Policy.

4.3 For all quotations for the supply of goods and services for Orange City Council up to \$249,999 a price advantage is given to Local Suppliers and Regional Suppliers. In the process of determining the successful supplier, the percentage price advantage as indicated in Table 1 below will be nominally deducted from the Local Supplier or Regional Supplier price for the purpose of price comparison only.

Monetary Threshold	Percentage Price Advantage	Criteria to be met to apply Percentage Price Advantage
Up to \$2,999	Purchases must be sourced from a Local Supplier*	Purchases must be sourced from a Local Supplier*
\$3,000 to \$49,999	4%	Local Supplier
	2%	Regional Supplier
	0%	Non-Local Supplier
\$50,000 to \$249,999	2%	Local Supplier
	1%	Regional Supplier
	0%	Non-Local Supplier
\$250,000 and over	Refer Clause 4.5	Refer Clause 4.5

*Unless goods or services are not able to be sourced from a Local Supplier, are not of sufficient quality or it is not practicable to purchase from a Local Supplier (eg, specialised services, training, accommodation, delivery times unable to be met).

4.4 Council reserves the right to consider an organisation that provides a Shop-Front as a Non-Local Supplier.

4.5 For Tenders, it is considered that a percentage price advantage is unsuitable as it could:

- a) Have an undesirable value-for-money impact on Council's budget; and
- b) May contravene tendering regulations under the Local Government Act 1993

All policies can be reviewed or revoked by a resolution of Council, at any time.

For Tenders, Local Content is to be included as a measurement criterion when submissions are being evaluated to determine a successful supplier.

A “Local Content” criterion is to be applied when submissions are being evaluated to determine a successful supplier. The “Local Content” criterion will form a minimum of 5% (default value) to a maximum of 10% of the overall assessment criteria (as approved by the Chief Executive Officer). The score associated with this criterion will be a ratio of the Local Content to the overall tendered price.

4.6 The Purchasing Strategic Policy is to be referenced in the implementation of this policy.

RELATED POLICIES/DOCUMENTS

Purchasing Operational Policy OP047

Purchasing Strategic Policy ST093

Gifts & Benefits ST039

Gifts and Benefits Register

Conduct of Conduct ST010

Credit Card Policy

Work Health and Safety Management Policy Statement OP084

OCCOHS 028 V2_11 Risk Assessment for Purchasing and Hiring

Procurement and Probity Committee Terms of Reference D18/45418

Bathurst Orange Dubbo Environmental Sustainability Action Plan

Local Government Act 1993 and the Local Government (General) Regulations 2005 on Tendering and Financial Management.

Responsible Area – Corporate and Commercial Services

REVISION					
	DATE	RESOLUTION		DATE	RESOLUTION
1	16 August 2012	12/322	6		
2	2 December 2014	14/1076	7		
3	4 February 2020	20/032	8		
4			9		
5					

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SUMMARY OF AMENDMENTS

Date	Section/Reference and Amendment
November 2019	<ul style="list-style-type: none"> Change of name from Local Preference Purchasing Policy to Buy Local Purchasing Policy. Updated to include sustainability of local economy by maximising participation of local businesses in the delivery of goods and services and encourage the inclusion of local businesses and employment of local residents. Updated to apply to all purchases unless exclusions under the Strategic Purchasing Policy apply. Amendment or addition to definitions: Local Supplier, Regional Supplier, Non-Local Supplier, Local Content and Shop-Front. Removal of 2% percentage price advantage and replaced with various percentage price advantages to be applied for Local Suppliers and Regional Suppliers (as defined in the Policy), as set out in Table 1, dependent on the monetary threshold purchase amounts. For tenders, Local Content criterion to be applied when submissions are being evaluated to determine successful tenderer, being a minimum of 5% to a maximum of 10% of the overall assessment criteria. The score associated with this criterion will be a ratio of the Local Content to the overall tendered price.