

Industry Participation Procedure

Procedure Author	General Manager - Strategy and Corporate
Date of next review	March 2025

1. Purpose

The purpose of this Industry Participation Procedure is to promote and measure the economic benefit to the State, Council and Northern region from labour, capital and supply inputs through Council procurement activities.

Industry participation in Council contracting is critical to grow the local economy of the State, Council and Northern Region by generating economic activity, investment, innovation and training and employment opportunities.

Council is committed to ensuring that competitive South Australian based businesses are afforded fair and reasonable opportunity to be considered for Council contracts.

2. References and Supporting Documentation

This Procedure is to be read in conjunction with the Procurement Policy.

- Procurement Procedure
- Industry Participation Guidelines
- Employment Contribution Test
- Industry Participation Plan
- Delegation Register
- Global Glossary

3. Application

Senior Manager Finance	To ensure this Procedure is reviewed by Council as required.
Internal Auditor	To conduct periodic audit of Council's procurement activities and assist in the development of assurance metrics to ensure compliance with this Procedure.
Manager – Procurement and Accounts Payable	To ensure correct application of this Procedure in the development of systemised and non-systemised procurement processes. Development and maintenance of internal training tools to assist in the correct application of this Procedure by Council Officers.
Officers holding CEO sub-delegation pursuant to section 137 of the <i>Local Government Act 1999</i> (Approvers)	To ensure application of this procedure has occurred during any Council procurement activity approval process.

Pathway to Employment Coordinator	To assist or facilitate candidate placement for Industry Participation Plan (Part D) contractual commitments.
Workers	Ensure compliant application of this Procedure in any applicable procurement activity undertaken.

4. Procedure

4.1 Objective

4.1.1 This Industry Participation Procedure is aimed at delivering greater economic benefit to the region from Council procurement. These benefits include:

- Improved industry capability and capacity through capital investment
- Employment and workforce development
- Retention of economic activity in the state
- Additional value adding activities, innovation and supply chain development.

A key objective of the Industry Participation Procedure is to ensure that capable South Australian Small and Medium Enterprises are afforded full, fair and reasonable opportunity to tender and participate in significant publicly funded or supported projects.

Value for money remains the prime consideration in evaluating tender bids for Council contracts. However, when assessing value for money, the broader impact of the contract to the region on a whole of life basis, including the benefits to local industry, should also be considered.

4.2 Scope

4.2.1 This Industry Participation Procedure has effect on all Council procurement activities with a value of \$20,000 and greater where Council does not have an established ongoing contract for supply with one or multiple suppliers.

The procedure has a tiered structure to ensure the costs of compliance are appropriate to the opportunity for local industry participation and minimise red tape requirements for business and government.

There are no specific requirements for procurement activities with a value of less than \$20,000, however Council should consider local businesses wherever possible.

4.3 Thresholds

The following thresholds are aligned with Councils Procurement Procedure and exclude GST.

4.3.1 For all applicable procurement activities, Council will be required to advise all interested parties of the requirements of this Industry Participation Procedure within Councils market request documentation, including but not limited to Request for Quotes, Request for Tenders, Request for Proposals or Direct Negotiations, including:

- Requirement to complete an Employment Contribution Test.
- Requirement to complete an Industry Participation Plan.

4.3.2 An Employment Contribution Test applies to all procurement activities with a value of \$20,000 and above, but below \$1M.

4.3.3 \$20,000 and under \$100,000

For procurement activities with a value between \$20,000 and up to \$100,000 where a minimum of three quotes are being sourced, Council is required to seek at least one quote from a Northern Region source where such a supplier or suppliers exist and are willing to quote.

4.3.4 \$100,000 and above and below \$1M

For procurement activities with a value of \$100,000 and above, but below \$1M, the Employment Contribution Test will apply in the same manner as is required for procurements between \$20,000 and \$100,000 however in this higher value range, the Employment Contribution Test will be given a specific minimum weighting of 10% as a component of the overall evaluation criteria.

4.3.5 An Industry Participation Plan applies to all procurement activities with a value of \$1 million and above, however can be applied to lesser value procurement activities if deemed appropriate by Council Officers.

4.3.6 For procurements with a value of \$1 million and above, the tenderer will be required to submit a Council Industry Participation Plan. Council Industry Participation Plans will provide a clear statement of the tenderer's commitment to the Procedure and identify the approach a contractor will undertake to identify opportunities to optimise the benefits to the Northern Region and or State economy and to use local industry. The level of detail required will depend on the size and complexity of the contract.

An Industry Participation Plan will carry a weighted evaluation criterion of a minimum 10% in the tender evaluation process for Council contracts. However consideration will be given to increasing the minimum weighting if deemed appropriate by Council officers.

4.3.7 The commitments made by a tenderer in their Industry Participation Plan will become a condition of contract should they be successful and regular reporting against the Industry Participation Plan commitments will be required.

4.3.8 Council reserves the right to negotiate or clarify commitments in any Industry Participation Plan submitted prior to finalisation of a contract. Following the execution of a contract, any changes proposed by the contractor relating to commitments made in the Industry Participation Plan will need to be authorised by Council.

4.4 Measurement and Reporting

4.4.1 Employment Contribution Test.

There are no reporting requirements against the Employment Contribution Test for contractors.

4.4.2 Industry Participation Plan.

Reporting on Council Industry Participation Policy Plan commitments will be a contractual requirement for contractors.

4.4.3 Council Reporting.

Council will report on Industry Participation Procedure outcomes annually.

5. Feedback

Your feedback on this policy is invited and can be directed to the Manager Governance via email to governance@playford.sa.gov.au or by calling the Customer Contact Team on 8256 0333

Administration use only

ECM document set no.	3980781
Version no.	1
Policy link	Procurement Policy
Procedure author	General Manager – Strategy and Corporate
Endorsed by	Council
Resolution no.	4615
Legal requirement	<i>Local Government Act 1999</i>
Review schedule	Four Years per Procurement Policy review schedule
Date of current version	March 2021
Date of next review	March 2025

Version history

Version no.	Approval date	Approval by	Change
1	March 2021	Ordinary Council Resolution No. 4615	
