



New South Wales Government

# NSW Government Procurement:

## *Local Jobs First Plan*

----- For NSW Government agencies, including State  
Owned Corporations -----

June 2009

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Phone:	(02) 9338 6600

This Plan is available from the procurement process maps on [www.treasury.nsw.gov.au](http://www.treasury.nsw.gov.au)

For further information on the Plan contact NSW Procurement help desk by phone 02 9372 8600 or e-mail [nswp.support@commerce.nsw.gov.au](mailto:nswp.support@commerce.nsw.gov.au).

### Issue log

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### Related policy documents

NSW Government Procurement Policy  
NSW Government Code of Practice for Procurement  
NSW Government Tendering Guidelines

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# 1 About this Plan

The NSW Government's Procurement Policy recognises that value for money is about broader economic benefit and not just the lowest price. The NSW Government acknowledges the substantial economic benefits which flow from buying Australian or New Zealand (ANZ) goods and services and maximising opportunities for local service providers to compete for Government business on the basis of value for money.

The Local Jobs First Plan (the Plan) aims to further the Government's intention to use its procurement actions to develop industry capability and support economic activity while achieving value-for-money objectives. This approach seeks to maximise overall community benefit for the people of the State.

Under this Plan NSW businesses are able to fairly and reasonably compete to provide the goods and services required by agencies to deliver the Government's priorities and services.

This Plan applies to all procurement methods for obtaining goods and services, including information and communications technology (ICT), used by NSW Government agencies, including State Owned Corporations. These procurement methods include: standing offer arrangements (period and panel period contracts), pre-qualification panels or any preferred supplier schemes (other than for construction works), and one-off contracts, such as consultancies. The Plan does not apply to construction contracts.

Where NSW international obligations such as Free Trade Agreements (FTAs) exist, the Plan is limited to small and medium enterprises where the FTA provides for SME exemption.

This Local Jobs First Plan forms an integral part of the Government's Procurement Policy, which can be accessed on the NSW Treasury website at [www.treasury.nsw.gov.au](http://www.treasury.nsw.gov.au).

## Definitions

**ANZ business** refers to either an Australian to New Zealand business.

**ANZ content** is the value added content sourced from Australia or New Zealand. ANZ content includes ANZ value added in supply chains where such value addition can be demonstrated easily. It excludes overseas-based value addition and/or imported content. Goods not manufactured in New Zealand but imported via New Zealand and offered in a tender are not considered New Zealand goods.

**ANZ value addition:** *same as ANZ content.*

**Australian business** is a firm registered under the Corporations Act 2001 (C'wth) as an Australian company or a legal entity authorised to conduct business in Australia, such as a natural person.

**Imported content:** ANZ content may also be determined by subtracting the value of imported content from the tendered price. Imported content is 'the estimated duty paid value,

inclusive of the value of any services (for example overseas freight and insurance, software in computer tenders, consultancy or engineering effort), or any charges of overseas origin, together with Customs clearing charges’.

**Industry Participation Plan (IPP):** is a plan submitted by tenderers in response to a tender. An IPP describes the nature of, or proposed nature of, tenderer’s engagement with ANZ industry, including SMEs. An important aspect of IPPs is industry capability development.

Engagement of tenderers with SMEs may take the form of supplier and/or out-sourcing arrangements and can span any stage of the supply contract, such as research and development, trials, supply of components or raw materials, logistical support, after sales service or any other support activity. IPP submitted for tenders valued at more than \$4million will include at a minimum:

- The value of investment in plant or other capital that will result from the contract
- The dollar value of ANZ content
- The number of existing and new employees engaged in delivering the contract and their location.
- The number of local suppliers that will win work as a result of the contract and their employment numbers
- The number of apprentices and trainees supported by the contract
- Regional economic impact, skills enhancement and technology transfer that will result from the contract.

The successful tenderer’s IPP becomes a contract condition and is subject to normal contract/vendor management processes of agencies.

**Local content:** *same as ANZ content*

**New Zealand business:** is a firm registered under the New Zealand Companies Act 1993 or a legal entity authorised to conduct business in New Zealand.

**Overseas firm:** is an entity registered as a foreign company with the Australian Securities and Investments Commission under Part 5B.2 of the *Corporations Act 2001* and issued with an Australian Registered Body Number (ABRN).

**Price preference schemes:** refers to the Australian and New Zealand Price Preference Margin and the Country Industries Preference Scheme.

**SME:** small and medium enterprise(s)

**SME industry:** For the purposes of this Plan, the term ‘SME industry’ refers to small and medium enterprises from NSW, other States and Territories of Australia or New Zealand, with up to 500 full time equivalent employees.

**SME Industry Participation Plan:** *same as Industry Participation Plan*

**Value addition:** is the value of the firm’s output (price) minus the value of all its inputs purchased from other firms. It is therefore a measure of the profit plus the wages it has paid.

## 2 Local Jobs First Plan requirements

SME industry development is an objective under the NSW Government's Procurement Policy framework. Agencies are to integrate the following practices into their procurement planning and procurement actions.

1. Establish specifications and evaluation procedures that provide industry, including SME service providers with the opportunity to compete on the basis of value for money.
2. Design tendering procedures that minimise costs to tenderers, include integration of industry, including SME development criteria in the tender and the requirement for industry participation plans for contracts of \$4 million or more (see section 4).
3. Identify industry capability in major areas of procurement and provide adequate advance notice to industry of all major purchases to enable planning for participation in government procurement.
4. Ensure that the tender documents require tenderers to submit with their response the value of ANZ content along with the tendered price.
5. Provide a briefing which potential providers can attend prior to the due date for complex tender submissions.
6. Apply NSW Government's price preference schemes to the evaluation of bids for all goods and services procurement action.
7. Provide information to unsuccessful tenderers to improve their competitiveness. Information disclosure should be timely and easily accessible by industry, for example on a website, and should be consistent with confidentiality and probity requirements.

Government agencies are to take the following actions in all procurement actions, that is when bids are invited from suppliers of goods and services. These bids may be sought through an open tender or from businesses on pre-qualified panels of suppliers (also see attached graphic):

### Procurement value up to \$1,000,000

Agencies are to:

- identify ANZ service providers and provide them with an opportunity to submit quotes or tender responses;
- consider the scope of industry participation opportunities offered by the procurement in their procurement plan;
- integrate Local Jobs First Plan criteria into the tender, including appropriate criteria in the tender evaluation process if there are particular opportunities for industry in the procurement action; and
- apply the NSW Government Price Preference Schemes to tenderer bids;

Procurement value between \$1 million and \$4 million

In addition to actions required for procurement valued at less than \$1 million, agencies are to:

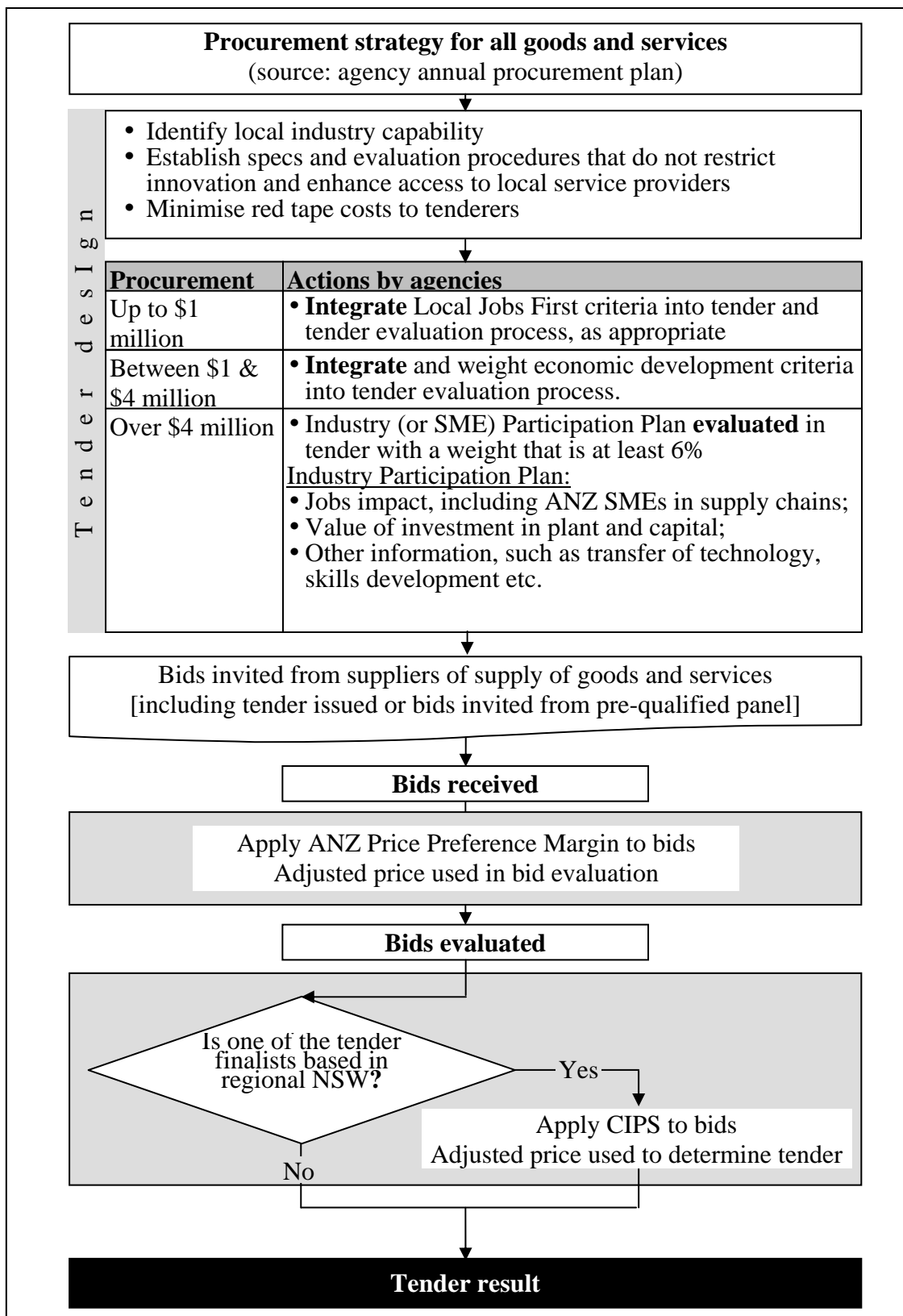
- ensure tenders include Local Jobs First Plan criteria which are also weighted in tender evaluation.

Procurement value \$4 million or more

In addition to actions required for procurement valued at up to \$1 million, agencies are to:

- Require tenderers to submit an IPP with their tender bids;
- Apply a weighting to the evaluation of IPPs that is at least 6%.

Figure: Local Jobs First Plan



Where NSW international obligations such as Free Trade Agreements (FTAs) exist, the Plan is limited to small and medium enterprises where the FTA provides for SME exemption.



### 3 Industry price preference schemes

NSW Government procurement policy includes two mandatory components that address industry development:

- Industry participation plan; and
- Price preference schemes.

Evaluation of Industry Participation Plans is described in section 4 of this document.

The price preference schemes are applied to offers in response to tenders issued by NSW Government agencies. Where NSW international obligations such as Free Trade Agreements (FTAs) exist, the Plan is limited to small and medium enterprises where the FTA provides for SME exemption.

These schemes are:

- ANZ Price Preference Margin
- Country Industries Preference Scheme

#### **Australian and New Zealand Price Preference Margin**

The Australia and New Zealand (ANZ) Price Preference Margin provides for a 20% price discount to be applied to that part of the tendered price related to ANZ content of goods and services offered in a tender response. The price margin is applied to the tendered price for supply for the purpose of tender response evaluation. Agencies should ensure that the tender documents require tenderers to submit with their tender response the ANZ content of the goods and services offered.

In the example below, tenderer C initially has the lowest tender price, but tenderer A is calculated as having the lowest tender price for purposes of tender evaluation following the application of the ANZ price preference margin.

Table 1

Tenderer	A	B	C
Non-ANZ content	6,000	5,000	9,800
ANZ content	9,000	10,500	5,000
Actual tender price	15,000	15,500	14,800
20% discount on ANZ content	1,800	2,100	1,000
Preference adjusted tender price	13,200	13,400	13,800

#### **Country industries Preference Scheme**

The Country Industries Preference Scheme (CIPS) is applied to support approved industries in country NSW and provides for price preference margins of 2.5% and 5%, as appropriate, to approved country manufacturers. The margins can only be applied if:

- there are no preferred or conforming bids from other States, Territories or New Zealand;
- the country manufacturer claiming the preference margin is registered with the Department of State and Regional Development and quotes its CIPS number on its tender response (see appendix B for information for applicants and registration application form);
- the country manufacturer is the prime contractor tendering to supply goods and related services for which it is registered; and
- if a metropolitan New South Wales or overseas manufacturer is the preferred tenderer after the application of the ANZ price preference margin, and tender responses have also been received from:
  - (a) an approved New South Wales country manufacturer located outside the County of Cumberland (greater Sydney area), the cities of Newcastle, Wollongong, Penrith and Liverpool, the Camden local government area and the local government areas listed below under (b), and/or
  - (b) an approved New South Wales country manufacturer located in the local government areas of Port Stephens, Wyong, Wollondilly, Wingecarribee and Kiama, the cities of Gosford, Lake Macquarie, Maitland, Cessnock and Blue Mountains, Shellharbour and Kiama;

For the purpose of tender evaluation, a preference margin of 5% is to be given in favour of (a) above and 2.5% in favour of (b) above, over all other New South Wales and overseas manufactured goods.

In the previous example, if Tenderer A is from metropolitan Sydney or from overseas, Tenderer B is from Group (a) and Tenderer C is from Group (b), application of the CIPS would result in:

Table 2

Tenderer	A	B	C
		Group (a) CIPS: 5%	Group (b) CIPS: 2.5%
Non-ANZ content	6,000	5,000	9,800
ANZ content	9,000	10,500	5,000
Actual tender price	15,000	15,500	14,800
20% discount on ANZ content	1,800	2,100	1,000
ANZ preference adjusted tender price	13,200	13,400	13,800
Application of CIPS	Nil	525	125
ANZ and CIPS adjusted tender price	13,200	12,875	13,675

Following the application of the two preference schemes, Tenderer B now has the lowest price.

Further information on the application of the preference schemes may be obtained from  
 Department of State and Regional Development  
 Enterprise and Regional Development  
 Phone (02) 9338 6600

## 4 Industry (or SME) participation

All tendering agencies should have regard to the impact on industry of their procurement action. Procurement action of \$4 million or more must include tender evaluation criteria for industry participation plans weighted at a minimum of 6%. Industry Participation Plans for SMEs only are required where NSW international obligations such as Free Trade Agreements are in place.

Tenderers for larger contracts are required to submit an industry participation plan that includes quantitative information on employment, investment and other impacts and comment on their local industry engagement in supply chains. Information on aspects that can be specified for inclusion in industry participation plans is provided in **Annexure A** of this document.

Tenderers should consult the **NSW Industry Capability Network** for the purposes of developing their local industry engagement strategies and identifying potential suppliers. This will also help to refresh knowledge of industry and supplement lists of suppliers.

### **Local Jobs First Plan criteria**

ANZ industry participation includes those activities undertaken in Australia or New Zealand relating to the development, design and management of a project, delivery of goods or selected services. This includes activities that the service provider will undertake as well as those that will be contracted out to other parties.

For procurement action of value between \$1 million and \$4 million industry participation requirements may be included in the tender documents requiring private sector service providers to submit proposals that identify and maximise opportunities for industry participation. For procurement of \$4 million or more, industry participation will be factored into evaluation in all cases through a requirement on all tenderers to submit an IPP.

### **Industry (or SME) Participation Plan**

Service providers are to develop an Industry Participation Plan and include it in their tender response where the value of goods and services being procured is \$4 million or more. The IPP should include:

#### Mandatory

- The value of investment in plant or other capital that will result from the contract
- The dollar value of ANZ content
- The number of existing and new employees engaged in delivering the contract and their location
- The number of local suppliers that will win work as a result of the contract and their employment numbers
- The number of apprentices and trainees supported by the contract
- Regional economic impact, skills enhancement and technology transfer that will result from the contract.

Optional

- arrangements (including supply chain management) for managing the requirements, monitoring performance and reporting under the plan
- other contributions the supply arrangement will make to industry and local economies;

Following evaluation of tender responses, the IPP prepared by the successful tenderer forms part of the contract with the agency on the basis of impact on jobs, investment, skills development and technology transfer.

**Evaluation of industry (or SME) participation plans**

Tender evaluation of procurement valued of \$4 million or more includes a tender evaluation criterion that assesses submitted industry participation plans. The weighting of this criterion is to be at least 6%.

The evaluation of tender responses should include assessment of the IPP on the basis of:

- The value of investment in plant or other capital that will result from the contract
- The dollar value of ANZ content
- The number of existing and new employees engaged in delivering the contract and their location.
- The number of local suppliers that will win work as a result of the contract and their employment numbers
- The number of apprentices and trainees supported by the contract
- Regional economic impact, skills enhancement and technology transfer that will result from the contract.

A sample IPP evaluation model for the purposes of tender evaluation is provided in Table 3. Weights for various criteria are suggested for purposes of this illustration. Actual weights used by agencies should take into account a range of factors, such as:

- size and value of the contract
- nature of the procurement, for example, acquisition of services only, acquisition of goods only or a mix of goods and services
- Government policy settings, such as in relation to innovation, economic development, Aboriginal economic development, climate change and sustainability, training etc.

Table 3: Sample IPP evaluation model

Criteria	Tender response	Scoring of response
The value of investment in plant or other capital that will result from the contract	<i>Dollar value</i> submitted by tenderer	Scores to be scaled/normalised based on minimum and maximum values in tender responses. Proportion of IPP weight: <b>10%</b>
The dollar value of ANZ content	<i>Dollar value</i> submitted by tenderer	Scores to be scaled/normalised based on minimum and maximum values in tender responses. Proportion of IPP weight: <b>10%</b>
The number of existing and new employees engaged in delivering the contract and their location	<p><i>Number of jobs</i> on a full time equivalent (FTE) basis that will be required to satisfactorily execute the contract.</p> <ul style="list-style-type: none"> <li>• Tenderers to provide a short description on how this number is determined, including any assumptions employed.</li> <li>• Number of jobs may also include jobs in ANZ supply chains where these jobs can be demonstrated easily by tenderers, for example through supply contracts, preferred supplier lists etc.</li> </ul>	Scores to be scaled/normalised based on minimum and maximum values in tender responses. Proportion of IPP weight: <b>40%</b>
The number of local suppliers that will win work as a result of the contract and their employment numbers	<p><i>Number of suppliers</i> (including <i>SME</i>) and <i>their employment (FTE)</i> that will win work from the contract.</p> <ul style="list-style-type: none"> <li>• Demonstration of the number of suppliers may take the form of preferred supplier lists; work provided to suppliers in the previous one year; current contractual arrangements etc.</li> </ul>	Scores to be scaled/normalised based on minimum and maximum values in tender responses. Proportion of IPP weight: <b>20%</b>

Criteria	Tender response	Scoring of response
The number of apprentices and trainees supported by the contract	<p><i>Number of apprentices and trainees supported by the tendering company.</i></p> <ul style="list-style-type: none"> <li>This number should be based on apprentices and/or trainees registered with the BVET or equivalent agency in the state or territory.</li> <li>In case of ICT contracts this may include employment of local graduates.</li> </ul>	<p>Scores to be scaled/normalised based on minimum and maximum values in tender responses.</p> <p>Proportion of IPP weight: <b>10%</b></p>
Regional economic impact, skills enhancement and technology transfer that will result from the contract.	<p><i>Describe regional economic impact and any <u>new</u> skills or technology that will be acquired in ANZ operations of the company in delivery of goods and services under the contract.</i></p> <ul style="list-style-type: none"> <li>This may include technologies and software development skills that are new to the company/tenderer.</li> </ul>	<p>Relative scores to be based on regional development impacts, new skills and or technology transferred into ANZ operations of tenderers.</p> <p>Proportion of IPP weight: <b>10%</b></p>

## 5 Compliance and complaints

Agencies are to establish mechanisms to monitor compliance by successful tenderers' to the commitments under the Industry Participation Plans.

Contracts should include appropriate contractual provisions in the event of non-compliance with requirements relating to industry participation. In the case of procurement action valued at \$4 million and above, tendered IPP forms part of the contract.

### **Complaints**

To ensure that potential tenderers are aware that there is a complaint mechanism, the following is to appear in the request for tender or proposal documents.

Should any Australian or New Zealand service provider feel that they have been excluded from tendering or penalised in any way by contract terms or specifications in this tender or proposal they are invited to write in confidence to:

State Contracts Control Board  
Level 22 McKell Building  
2-24 Rawson Place  
SYDNEY NSW 2000

Complaints will be handled according to the Code of Practice and practices on complaint handling in relation to other aspects of procurement practice.

## 6 Further information and assistance

For further information and assistance please contact one of the following organisations.

Department of State and Regional Development (DSRD)  
Level 47-49, MLC Building  
19 Martin Place  
Sydney NSW 2000  
Phone (02) 9228 3111  
Website: [www.business.nsw.gov.au](http://www.business.nsw.gov.au)

NSW Industry Capability Network (ICN)  
Suite 3, Century Plaza, 80 Berry Street,  
North Sydney NSW 2059  
Phone (02) 9025 3150  
Email [enquiry@icnsw.org.au](mailto:enquiry@icnsw.org.au)

State Contracts Control Board (SCCB)  
The Chairperson  
Level 22, McKell Building 2-24 Rawson Place Sydney NSW 2000  
Phone (02) 9372 8910 Fax (02) 9372 8844  
Email: [sccb@commerce.nsw.gov.au](mailto:sccb@commerce.nsw.gov.au)  
Website: <http://www.dpws.nsw.gov.au/Government+Procurement/State+Contracts+Control+Board.htm>

Department of Commerce  
NSW Procurement - Policy Support Services  
Level 11, McKell Building  
2-24 Rawson Place Sydney NSW 2000  
Phone (02) 9372 8600 Fax (02) 9372 8822  
Email [gpshep@commerce.nsw.gov.au](mailto:gpshep@commerce.nsw.gov.au)  
Website <http://www.commerce.nsw.gov.au>



## Annexure A: Framework for assessing and evaluating industry impacts

This annexure provides a framework for assessing and evaluating Local Jobs First criteria that can be included by agencies to promote industry development through procurement. This should be incorporated in an agency's procurement plan.

### **Actions to encourage industry participation**

Following actions support industry (including SME) participation and will enhance equity and transparency of NSW Government procurement action.

- Advance notice of tenders
- Unbiased specifications and evaluation procedures
- Identification of industry capacity and industry effects of agency procurement
- Small to medium sized enterprises development participation
- Provision of information to unsuccessful tenderers

#### Advance notice of tenders

Providing advance notice of planned tenders enables prospective service providers (particularly SMEs) the opportunity to ensure they have the appropriate capability and capacity to undertake the contract. Advance notice of tenders may be provided in a number of ways:

- by advertising on the e-tenders web site <https://tenders.nsw.gov.au/nsw/index.shtml>
- posting advanced tender information on a notice board at the Head Office of the agency concerned
- providing the rolling information on the internet.

Agencies are not to seek tenders unless they propose to proceed with the contract. Advance tender information should only be published once an agency has made that decision. This ensures that the cost to service providers doing business with government is minimised.

#### Unbiased specifications and evaluation procedures

Tender features that can act as impediments to SME industry participation include:

- Complex and lengthy documentation
- Insurance and indemnity conditions that exceed the risk to Government
- Lack of flexibility in setting supply volume requirements
- Extended geographic supply coverage, for example the requirement for State-wide delivery
- Short supply or service response times.

Specifications should be designed to provide opportunities for ANZ suppliers by ensuring

they are appropriately tailored to actively encourage tender responses from SME and regional enterprises. Where the products and/or services may be too large for one SME's capacity and capability to undertake alone, these enterprises should be given the opportunity to prepare tender responses for those larger projects by forming consortia and joint ventures. Specifications should not be rigid, they should concentrate on outcomes (rather than technical requirements) and be designed to invite and encourage innovative solutions.

During the procurement planning process (for larger or higher risk procurements) it is essential that agencies consider:

- the direct effect of contract decisions on SMEs
- possible flow-on effects to State and regional economies
- any social ramifications for local communities.

Strategies to overcome or manage the social effects associated with the procurement should be developed and incorporated into procurement plans. It is essential that agencies treat all prospective service providers equally and select the best value for money outcome for the agency and the Government.

#### Identification of industry capacity and industry effects of procurement action

As a general requirement, agencies should ask service providers to provide tender responses which maximise the use of goods and services that originate in Australia or New Zealand. Tender responses are then to be assessed on the basis of best value for money – particularly where the ANZ sourced tender response offers equal or better value for money over its whole life cycle.

The NSW Industry Capability Network (ICN) seeks opportunities for ANZ supply to major projects infrastructure and investment projects. It maintains a database of NSW industry, has ready access to ANZ databases of industry capability, and brokers relationships between buyers and potential ANZ service providers.

When inviting tenders, agencies should contact the ICN to determine whether they can help to identify industry capability and capacity.

For procurement valued at over \$4 million, agencies are required to prepare a procurement plan. Where the procurement may have a substantial economic or industry effect, the agency should research the economic environment and the industry and include the likely effects in the agency's procurement plan.

The research will assist agencies to:

- determine a profile of the procurement's strategic importance in developing industry capability and enhancing the global competitiveness of ANZ industry
- prepare a brief to assist industry with their programming of work in areas with potential industry development opportunities
- form the basis for setting economic development criteria used to evaluate tender responses

- determine the value for money outcomes that could be expected from industry development opportunities in the short to long term.

#### Small to medium sized enterprises development & participation

Small to medium sized enterprises, including regional providers, are an important contributor to the economic well-being of NSW.

To encourage more small to medium sized enterprises to participate in government procurement, agencies should consider using the following:

- seek ANZ firms' interest—where local service providers are offered the opportunity to compete for business
- economic development criteria—inclusion of economic development criteria in the tender documents and the evaluation process - requiring service providers to develop industry participation plans to respond to Industry Impact Statements
- simplified procurement procedures, removal of biases against small to medium sized enterprises in tender documentation, prompt payment of accounts, use of tools such as electronic procurement and where feasible, seminars for prospective service providers on doing business with government
- advertising and publications that include advance notice of tenders
- provision of assistance to unsuccessful tenderers to assist with future tender responses
- use of electronic commerce, such as smartbuy® and e-tendering, can provide better access to information on the government market and overcome problems of geographic isolation. The publication of government business opportunities on the internet will provide greater opportunity for small to medium enterprises to participate in government work.

#### Provision of information to unsuccessful tenderers

This is very important for service provider development. Providing service providers with information as to why they were unsuccessful with their tender response, and giving constructive suggestions on how their tender responses could be improved in future, can give substantial benefit to an agency.

The agency can also give service providers information on their current performance to assist them to continuously improve their performance and become more competitive. For further information on this see the *Service Provider Performance Management* guideline.

#### **Understanding industry impacts of procurement action**

The aim of the NSW Government Procurement Policy in relation to economic development is to maximise opportunities for Australian and New Zealand industry participation in government procurement.

The policy does not rely on the achievement of specific local or SME content targets. The level of local or SME content is determined through the competitive tendering environment where selection is based on the basis of best value for money, including economic

development and other selection criteria.

To maximise economic development opportunities and outcomes, for high value and strategic contracts, agencies are required to consider industry impacts of procurement action. This requires agencies to:

1. identify the Government's economic objectives and likely impacts as part of its procurement planning process. The economic development and other government value for money objectives are outlined in the request for tender/proposal documents, and the evaluation criteria are provided.
2. tenderers are to identify the impacts and economic and industry benefits and provide a industry participation plan, as required by this policy.
3. following a tender response evaluation, the successful tenderer's industry participation plan forms part of its contractual obligations.

### **Industry impacts**

Industry impacts of procurement action can be diverse and varied. Impacts include:

- industry capacity
- investment
- employment
- technology
- research and development
- exports
- track record such as past performance, particularly in the achievement of economic and social outcomes.

Tenderers are required to prepare a industry participation plan that describes the likely impact of their tender response in terms of:

- support for regional development
- support to small and medium enterprises
- workforce development and management
- technology development or technology transfer
- research and development
- export opportunities
- other factors.

### **Evaluating IPPs submitted with tender responses**

Agencies may allocate weightings for each criterion to assist in the assessment of tender responses. If this technique is used, weighting for each criterion should be determined prior to the issue of tenders or at the latest before the close of tenders.

## Annexure B: Country Industries preference scheme

### Information to applicants

The Country Industries Preference Scheme was introduced by the NSW Government in 1970 as a means of providing a further measure of assistance to the state's country manufacturing industries.

The Scheme is intended primarily to benefit manufacturers located outside the metropolitan areas of the State which, in comparison with their city-based competitors, suffer definable economic disadvantages which can be directly attributed to their country location.

Of necessity, therefore, the application for preference must be subject to various qualifications and limitations and these are set out below as a guide to those companies seeking to participate in the Scheme:

1. The preference applies on the following basis to approved manufacturing industries located outside the county of Cumberland, the Cities of Newcastle, Wollongong, Penrith and Liverpool and the local government area of Camden:
  - (a) In the Cities of Maitland, Greater Cessnock, Blue Mountains, Lake Macquarie, Gosford and Shellharbour, and the local government areas of Kiama, Port Stephens, Wyong, Wollondilly, Wingecarribee and that part of the local government area of Hawkesbury which was previously part of the Shire of Colo.  
  
maximum preference of 2.5%
  - (b) Elsewhere in NSW.  
  
maximum preference of 5 %
2. The preference applies only to the cost incurred in the manufacture of goods at the country factory and does not extend to any costs associated with installation, assembly and/or erection on site.
3. Preference eligibility will be granted only for such a range of specific goods as the applicant manufacturer can demonstrate are wholly or substantially manufactured at the country establishment.
4. Preference eligibility will be granted only to such country manufacturers as can demonstrate that in comparison with their city based competitors, they suffer a definable economic disadvantage which is directly attributed to the country location.
5. The preference will be applied to purchases effected by all NSW Government agencies (ie government departments, statutory authorities and other entities).
6. The preference will be applied as a variable margin of up to a maximum of 5% (2.5%

in respect of the areas specified in 1 (a) above) in favour of an eligible country manufacturer over metropolitan manufacturers only after determination of the order of tendering in accordance with the practice usually followed by the particular department or authority concerned where applicable. The preference to approved country manufacturers applies in addition to the general preference accorded to Australian and New Zealand manufacturers competing with overseas manufacturers.

7. The preference will be applied only in instances where an eligible country manufacturer:
  - (a) is offering goods of the specific nature in respect of which eligibility has been granted
  - (b) specifically draws attention to his eligibility in his tender and is able to quote his formal preference registration number
  - (c) is tendering in the capacity of a prime contractor for the supply of the goods in question
  - (d) submits a tender in competition with a NSW city manufacturer who would normally win the contract
  - (e) offers goods which are considered by the purchasing department or authority to be of a satisfactory quality and specification.

### **Procedure for registration**

Country manufacturers seeking to participate in the Scheme are required to complete in full (attaching a separate sheet where space is insufficient) the attached application for registration form and return to:

Project Officer – Country Industries Preference Scheme  
 Enterprise and Regional Development  
 NSW Department of State and Regional Development  
 G.P.O Box 5477  
 Sydney NSW 1220

Country manufacturers eligible for registration will be given Preference Registration Numbers which must be specifically quoted in any tender submitted to the Government agency in respect of which the application of preference is sought.

Registration under the Country Industries Preference Scheme remains valid for a period of three years from date of issue. At the end of the three year period applicants will need to re-register with the NSW Department of State and Regional Development to maintain their registration under the scheme.

**Application for registration**

1 Name and business address of country manufacturing enterprise:

Name .....

Address .....

Postcode .....

2. Address of country establishment where products in respect of which preference is sought are manufactured:

Address .....

Postcode .....

City/Council .....

Phone No .....

Fax No .....

3. Date of commencement of manufacturing activities at the country establishment.

4. Location of any other manufacturing establishments operated by enterprise.

5. If your enterprise is a holding company, a subsidiary or an associate of another company, state the company concerned, the location of its manufacturing establishments and the address of its head office.

6. List products manufactured at the country establishment in respect of which preference is sought.

7. State the approximate value added (ie labour/overheads) at the country establishment by your enterprise in the manufacture of its products.

Item	%	
Ex-factory price	100%	(1)
Less cost of materials/bought-in components		(2)
Value addition at location		(1) – (2)

8. List sources of major raw materials and/or component parts brought into the country establishment by your enterprise for the manufacture of the products in respect of which preference is sought.

Raw Material or Component  
 Source (ie local, metropolitan, interstate, overseas)  
 Ex-subsidiary, associate or another establishment of enterprise

9. Briefly list the factors which you consider place your enterprise at an economic disadvantage compared to metropolitan competitors and which can be claimed to be directly attributable to a location in a country area:

10. Has your enterprise previously tendered successfully for the supply of goods to a NS W Government department or authority?

YES/NO  
 If YES details should be furnished.

**Statutory declaration**

I, ..... the .....  
 Name Title/Designation  
 of .....  
 Name of enterprise

do hereby solemnly declare and affirm that the answers to the questions and statements made in this application are true and correct in every particular and that the products in respect of which preference is sought are manufactured at the country establishment and would in respect of any Government contract awarded, be supplied from that establishment.

.....  
 Signature of declarant

Taken & declared at .....  
 in the State of New South Wales this .....  
 ..... day of ..... two thousand and .....

Before me: .....J.P