



South Australian Industry Participation Policy

Procedural Guidelines Supplement – Upper Spencer Gulf Region

August 2017

*Measuring Economic Benefit
through Jobs, Investment and
Supply Chain Opportunities*

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1. Introduction

This supplement provides guidance for the application of the Industry Participation Policy in the Upper Spencer Gulf region of South Australia. This document needs to be read in conjunction with the South Australian Industry Participation Policy, Procedural Guidelines and other supporting documentation.

The South Australian Industry Participation Policy (the Policy) is designed to measure the economic benefit to the State through employment, investment and supply chain benefits as part of the tender evaluation process or through direct negotiation.

On 10 August 2017 Cabinet declared the Upper Spencer Gulf region an Economic Participation Region (the “Region”) in order to promote economic activity and development for the area. The Region is the Port Pirie Regional Council, Port Augusta City Council and the Corporation of the City of Whyalla.

2. Approach for the Upper Spencer Gulf

It is proposed that all South Australian Government construction projects and infrastructure to be delivered in the Region will:

1. ensure that wherever possible, the responsible Government Agency uses prequalification lists in a manner that promotes economic activity in the Region, and
2. carry a 20 percent Industry Participation weighting for contracts above \$220,000 in a similar manner to the Northern Economic Plan.

This includes projects which are contracted by the South Australian Government in the Region utilising Commonwealth funding.

3. Economic Contribution Test (ECT)

A tailored template has been developed to be used for all procurements between \$33,000 and \$1 million within the boundaries of the Region.

a. Up to \$33,000

RGA’s should consider businesses in the Region for involvement.

b. Between \$33,000 and \$220,000

For procurements between \$33,000 and \$220,000, the RGA will make an assessment of the tenders received based on their predetermined assessment criteria. Once this shortlisting has occurred should there be two or more tenders that meet the needs of the RGA, represent good value, the result of the ECT will determine the winner (i.e. the tenderer with the highest ECT score).

c. Between \$220,000 and \$4 million

The ECT will apply in the same manner as is required for procurements between \$33,000 and \$220,000 however in this higher value range, the ECT will have a **minimum weighting of 20%** as a component of the overall evaluation criteria.

4. Tailored IPP Plan

a. Between \$1 million and \$50 million

Tenders within the scope of the policy and within the boundaries of the Region with a value of \$1 million and above, but less than \$50 million, will require tenderers to prepare a South Australian Tailored IPP Plan – Upper Spencer Gulf Region.

Please note that an RGA may request an IPP Plan as part of the tender response outside of the thresholds above based on a determination of the potential economic and social benefit for South Australia, or to a specific region, resulting from the procurement. **This determination is in no way an indication of price.**

The IPP Plan weighting is a **minimum of 20%**.

b. Above \$50 million

Tenderers for contracts of \$50 million and over will be required to complete a Tailored IPP Plan. This Plan will include a detailed methodology to identify and consider South Australian based SME participation and information on additional economic benefits for the South Australian economy. It should also set out opportunities to involve local SMEs in value-add research, design work and advanced services should the tenderer be awarded the contract.

5. Related Documents

South Australian Industry Participation Policy

Economic Contribution Test – Upper Spencer Gulf Region

Industry Participation Plan – Upper Spencer Gulf Region

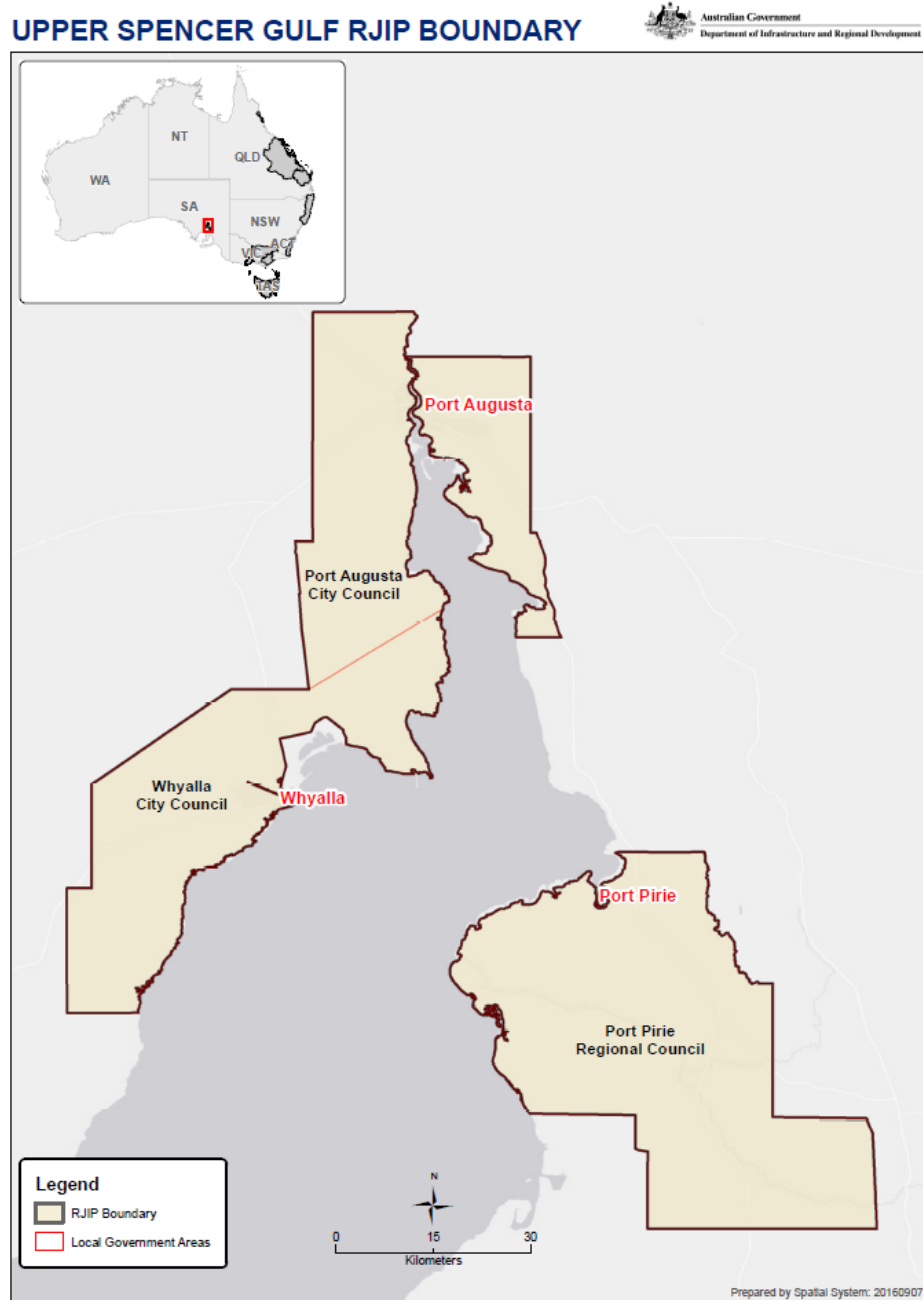
South Australian Industry Participation Policy Frequently Asked Questions

Table 1: Industry Participation Policy Requirements

This table provides an overview of the Industry Participation requirements. This table is to be used as a guide only and needs to be read in conjunction with the relevant sections of these guidelines.

Category	Tender Requirement	Reporting Requirement
	<i>Note that the IPP Requirements below are to include sub-contracting arrangements where they are proposed/exist</i>	
Below \$33,000	Look for a business in the Region to participate	No reporting requirements
Government procurement where tender value is between \$33,000 and \$220,000 in the Region	Look for businesses in the Region to participate. ECT-USG Region to be completed. No weighting but ECT used to differentiate bids that represent good value and meet needs of Government.	Contractor No reporting requirements RGA Annual reporting on contracting activity including ECT details
Government procurement where tender value is over \$220,000 but less than \$1 million in the Region	Look for businesses in the Region to participate. ECT-USG Region to be completed and forms a minimum 20% of overall evaluation.	Contractor No reporting requirements RGA Annual reporting on contracting activity including ECT details
Government procurement where tender value is equal to or greater than \$1 million but less than \$50 million in the Region .	Look for businesses in the Region to participate. Submission of a Tailored IPP Plan – USG Region is required for the tender to be considered compliant. IPP Plan has a minimum 20% weighting	Contractor Minimum of <u>annual</u> reporting against IPP commitments to the Office of the Industry Advocate RGA Annual reporting on contracting activity including IPP details
Government procurement where tender value is \$50 million and over in the Region	Completing a Tailored IPP Plan is required. The Public Projects and Participation Division of DSD will work with the RGA to develop an IPP Plan template tailored to the contract or project. IPP Plan has a minimum 20% weighting	Contractor Minimum of <u>bi-annual</u> reporting against IPP commitments to the Office of the Industry Advocate RGA Annual reporting on contracting activity including IPP details

Figure 1: Upper Spencer Gulf Region



The Region is the Port Pirie Regional Council, Port Augusta City Council and the Corporation of the City of Whyalla.

Contact

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