



South Australian Industry Participation Policy

Procedural Guidelines

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

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1. Introduction

These Procedural Guidelines provide the requirements on Responsible Government Agencies (“RGAs”) under the South Australian Industry Participation Policy (hereafter “the Policy”).

RGAs are also expected to actively seek to expand the economic opportunities for South Australia when applying the Policy. The Policy encourages RGAs to go further than the minimum requirements.

These Procedural Guidelines should be read with the Policy. They establish:

- the roles and responsibilities in implementing the Policy
- the requirement under various acquisition and procurement activities
- the thresholds and coverage at which each requirement will apply, and
- the steps and processes, the actions and requirements applying on businesses and government under any specific requirement.

Tendering requirements, templates and scoring assessment criteria will operate to further the Policy Framework.

These Guidelines supersede earlier versions, although they will not apply retrospectively and earlier versions apply if contracts or grants are made before this version is operating.

A separate Guideline will set the benefit realisation requirements that apply including reporting obligations for business and RGAs.

2. Roles and Responsibilities

2.1. Industry Advocate

The Industry Advocate has the following role and responsibilities:

- To further the aims of the Policy to facilitate economic contribution and development from Government contracts
- To assist in building the capability and capacity of businesses based in South Australia to participate in Government contracts
- To ensure that capable businesses based in South Australia are given full, fair and reasonable opportunity to participate in Government contracts
- To receive and investigate complaints by and on behalf of business and their industry representatives about the Policy, other impediments to economic and industry participation in Government contracts or other matters as directed by the Minister
- To make recommendations to resolve complaints from business received by the Industry Advocate
- To investigate and monitor compliance with the Policy by participants in Government contracts
- To take action to promote and ensure compliance with the Policy, including by issuing directions to participants in government contracts requiring them to comply with their contractual obligations in respect of the Policy and reporting the Minister in relation to non-compliance where appropriate.

The Office of the Industry Advocate (OIA) supports the Industry Advocate and has some further functions as set out in *Tables 2 and 3*.

2.2. Public Projects and Participation Division

The Public Projects and Participation Division of the Department of State Development is primarily responsible for review and the implementation of the Policy.

Public Projects and Participation (PPP) will be involved at various stages and to varying degrees throughout the entire procurement process for all contracts subject to the Policy.

See Tables 1, 2 and 3.

2.3. Responsible Government Agencies

Responsible Government Agencies (RGAs) conduct the implementation and application of the Policy within their own procurement processes.

RGAs include both the “public authorities” made or declared and the “prescribed public authorities” declared under the *State Procurement Act 2004* and accompanying regulations.

3. Industry Participation Requirements

The Policy applies to all procurement and importantly extends to subcontractor and supplier activity.

Where a requirement under the Policy or Guidelines applies due to financial thresholds, these thresholds are always inclusive of the Goods and Services Tax.

3.1. All procurements

All procurements will consider opportunities for small, start-up and Aboriginal businesses operating in South Australia with a view to involving South Australian business in the opportunity through provision of a quote or tender. The Government of South Australia may also focus on a particular region if a contract is to be performed in or near that area or for the express benefit of that area.

3.2. Minimum Weighting

The Policy identifies the minimum mandatory weighting to be applied from \$220,000 to the industry participation component of the evaluation criteria, with the option to lift the weighting based on the merit of the proposal. This means RGAs, Ministers or the Government have the discretion to increase the minimum mandatory weighting.

3.3. Regional South Australia

All procurement of goods, services or works which are predominantly Regional in character will focus on delivery of economic contribution to the Region and RGAs will need to consider if the weighting should be increased. This includes applying the:

- Regional Economic Contribution Test on procurements from \$33,000 up to \$1 million.
- Regional IPP Plan from \$1 million and above.

RGA's must seek at least 1 quote or tender from a business based in the region for any procurement from \$33,000.

Exemptions from requirements can be requested under 3.11.

Regional South Australia is defined as per the map set out in *Appendix A*.

3.4. Aboriginal Businesses

If the procurement presents an opportunity for Aboriginal businesses, the RGA should also consider seeking a quote from an Aboriginal business (or directly engaging an Aboriginal business if the contract is less than \$220,000) (*see 4.5 below*).

3.5. Economic Contribution Test

RGAs must seek at least 1 quote or tender from a business based in South Australia (or a business based in the region in the case of a regional procurement) for any procurement from \$33,000 to IPP Plan thresholds and will apply an Economic Contribution Test (ECT).

The ECT will apply to both competitive procurements as well as direct negotiations or single sourcing as it provides decision makers with guidance on whether the purchase has achieved broader value-for-money.

The ECT will be applied with the minimum weighting from \$220,000 (except in cases where it has been increased, or where the ECT will not help to differentiate between quotes or tenders – such as direct negotiations or single sourcing). In all cases the ECT should still be completed and the data reported.

Between \$33,000 and \$220,000 the ECT is used to differentiate between bids that both represent value-for-money.

Exemptions from requirements can be requested under 3.11.

See Tables 1 and 2 below.

3.6. Industry Participation Plan

An IPP Plan will apply to procurements above \$4 million (\$1 million in Regional South Australia).

See Tables 1 and 3 below.

Where a contractor is appointed to deliver a project that meets the above thresholds, the contractor will apply the principles of the Policy and requirements in their IPP commitments.

3.7. Panel Contracts

The Industry Participation Policy applies to panel contracts. PPP will assist RGAs to determine the most appropriate industry participation requirement on a case by case basis.

Where a panel is established and there is no Tailored IPP plan, the ECT and IPP plans will apply to the individual purchases made off the panel when above the relevant value.

3.8. Grants to the Private Sector

RGA's will include an economic benefit analysis as part of the grant application for grants above \$500,000.

RGA's will evaluate economic benefit as part of the grant application process.

This will involve details of South Australian jobs and where appropriate, investment and supply-chain opportunities associated with the project.

The PPP will work with RGA's to establish appropriate criteria (noting investment may include capital investment, research and development, skills transfer, or other benefits to the State).

Responses to the criteria will form part of the merit assessment for a grant and be reflected in the grant agreement.

Not for profit grants are excluded from this requirement. Not for profit procurements under the *State Procurement Act 2004* will be captured by the Policy requirements under the requirements above.

Grants between government bodies and agencies are excluded.

3.9. Private Projects receiving Significant Monetary Support or Value-in-kind

Private projects which receive more than \$2.5 million in monetary support (or value-in-kind) from the Government of South Australia will need to apply the Policy.

\$2.5 million in monetary support or value-in-kind can include for example:

- when land is transferred to the developer below market-rates by the Government of South Australia
- when land is remediated to a value above \$2.5 million by the Government of South Australia
- when an opportunity is available from the Government of South Australia that has goodwill above \$2.5 million
- where the Government of South Australia provides extensive support (e.g. case-management or facilitated approval processes), representing more than \$2.5 million in resources, and
- when the Government of South Australia provides direct financial support.

A Standard Industry Participation Plan will often be sufficient but a more “tailored” approach can be developed by PPP in collaboration with the relevant agency, to target specific opportunities.

Business cases may form an application process and should seek information on jobs and where appropriate, investment and supply-chain opportunities associated with the project (noting these will often be highly commercial and confidential). Where the business case sufficiently addresses economic contribution to the State, PPP can endorse the business case as constituting a valid set of commitments without requiring an IPP Plan.

Commitments to economic contribution will be reflected in relevant contracts or agreements with the private sector entity and will include reporting arrangements to the Industry Advocate.

3.10. Direct Negotiation

All industry participation requirements (including the ECT) apply to direct negotiations, except the scoring would only be used to provide decision makers with advice over the economic benefit of the procurement. Also, the weighting itself is not required if it does not provide a capacity to differentiate from other options. Reporting and benefit realisation requirements apply.

3.11. Exemptions

Exemptions from any requirement will be considered by the Executive Director, PPP. Grounds for an exemption include when there is universal economic benefit from the tender responses (which may apply to many procurements – i.e. all tenders in a category) and this can be demonstrated by historic outcomes or the nature of the contract.

4. Tailored Plans – Expanded Opportunities

RGAs should be looking for opportunities for further economic development for the State from procurement. The following are cases where a tailored approach to industry participation can deliver on this outcome.

Does the procurement include potential for:

- major infrastructure and major construction?
- involvement with a program of stimulus? (i.e. interlinked small projects)
- the purchase of steel or steelwork?
- development in an economic participation region?
- Aboriginal business opportunities?
- investment attraction or generating innovation and growth?
- other socio-economic objectives?

If so:

- Consider lifting the weighting above minimum requirement
- Apply the higher minimum 20% weighting if purchasing steel or steelwork, and
- PPP will develop a Tailored IPP Plan.

4.1. Contracts Valued over \$50 million

All contracts over \$50 million will have a Tailored IPP Plan. PPP has a range of precedents in place, such as:

- Contracts for Northern Economic Plan region
- Health Industries
- Information Economy and Advanced Technology
- Major Infrastructure
- Design and Architectural Services
- Contracts delivered in APY Lands

PPP can work with RGAs to design and implement a Tailored IPP Plan in any area of expenditure that will benefit from this regardless of value.

4.2. Major Infrastructure and Construction

Tailored IPP Plans will focus on employment and sub-contracting opportunities specific to the building and roads construction sectors and will include implementation of the Steel Policy and delivery of Workforce Participation Policy commitments.

In major infrastructure PPP has a strong set of precedents for a wide range of projects, including building and roads construction.

4.3. Programs of Small Infrastructure Projects – e.g. stimulus package

The RGA will work with PPP to develop the appropriate response to industry participation. The design of the stimulus will consider how to maximise industry participation, employment and use of supply-chains that benefit the South Australian economy.

4.4. Economic Participation Region

The Government of South Australia has already established Northern Adelaide as an economic participation region for industry participation. This requirement carries a minimum 20 per cent weighting with a focus on economic contribution for the Northern Economic Plan area.

There are specific templates applying to this region. Separate guidelines have been set.

Further areas may be established from time to time. When a region is established, key features can include that projects and procurements within the area should expressly be designed to benefit the region, for example it can be designed to:

- a) provide a long-term pipeline of projects for the region, and
- b) carry an increased industry participation weighting assessing economic contribution to the region as a critical criterion in selection of contractors to perform government contracts.

4.5. Aboriginal Economic Participation

RGA's should consider their forward procurement program for opportunities that are suitable for Aboriginal economic participation.

Aboriginal Economic Participation through Procurement is focused on developing whole-of-government procurement practices.

Opportunities up to \$220,000

RGA's can procure directly from an eligible Aboriginal business that provides a value-for-money quote.

An eligible Aboriginal business is one which is:

- registered on the South Australian Aboriginal Business Register (Aboriginal Business Connect), or
- certified by Supply Nation, or
- registered with an Aboriginal Regional Authority or Aboriginal Landholding Authority, and is 50 per cent or more Aboriginal owned and based in South Australia.

The way to assess a value-for-money quote is:

- the RGA obtains one written quote
- the procurement is conducted in accordance with the *State Procurement Act 2004*
- the supplier rates demonstrate value in the expenditure of public money
- consideration has been given to the supplier's capacity, and
- a Simple Acquisition Plan and Recommendation have been completed and approved when the contract is above \$33,000.

The Government of South Australia, including individual RGA's may also establish a preferred Aboriginal business and enterprise pre-qualification list, to make it easier to contract.

Part 4.5 of these Guidelines replaces and supersedes the Aboriginal Business Procurement Policy.

Contracts above \$220,000 and tailoring the IPP to Aboriginal economic participation

The industry participation weighting can be increased above the minimum of 15 per cent and accompanied by tailored measures for Aboriginal participation which are directly relevant to raising economic participation for Aboriginal businesses and employees. Relevant considerations on when to apply this include:

- Contracts performed in Aboriginal lands or for communities with a significant Aboriginal population
- Contracts which have demonstrated Aboriginal businesses performing within it or in the supply-chain, and
- Contracts where the Workforce Participation Policy sets requirements for use of Aboriginal labour and raising the use of Aboriginal businesses can assist with achieving those targets.

The increased weighting would measure the amount of Aboriginal employment or labour hours associated with the contract directly and indirectly through subcontractors and suppliers.

Where there are opportunities, then the industry participation weighting should be increased and a tailored ECT or IPP Plan developed with reference to raising Aboriginal economic participation.

Major projects - use of Aboriginal businesses and target group employment

Projects such as the Northern Connector have identified how a specific set of industry participation initiatives around Aboriginal economic participation can assist with the Workforce Participation Policy to deliver significant new opportunities for Aboriginal businesses in the construction industry.

Projects in Aboriginal Lands

A Tailored Industry Participation Plan has been developed for large contracts in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands. This plan sets out the new approach of the South Australian Government to meet the minimum requirement of 30% total on-site labour hours filled by Anangu personnel (and in some cases can be lifted even further to 35% or more).

PPP can provide advice on the application and use of this plan.

4.6. Other Socio-economic Objectives

Where there are other socio-economic opportunities, consideration should be given to increasing the industry participation weighting and a tailored ECT or IPP Plan should be developed with reference to addressing the particular socio-economic objectives.

4.7. Design in Major and Strategically Important Projects

Even though design services, such as architectural services may be of modest value in a larger project, the influence of design on the outcomes for industry participation and economic contribution is significant.

Where services such as these are critical to how a project will be delivered, this is a trigger for whether the industry participation requirements should be tailored for the procurement.

4.8. Industry Development and Investment Attraction

RGA's should work with PPP at the early stage of business case planning and acquisition planning to realise the benefits of growth, innovation and investment attraction. The following is a guide or key criteria for when this should occur:

- Can the contract contribute significantly to developing and/or growing a high value industry in the State?
- If the business case was implemented, how could it be leveraged to generate employment outside of the contract for South Australia?

When the tender is issued, the Tailored IPP Plan would measure areas such as:

- Do the likely companies selected have an investment strategy in South Australia? What is the evidence for this?
- What type of presence do the relevant businesses currently have in South Australia (i.e. head office/national office/branch office/none etc.) and what is the potential impact (if any) from the implementation of the business case on their SA presence (i.e. enhanced/maintained etc.)?
- Do the likely companies selected have any intention to produce products or services in South Australia that are part of a value-chain? What is the evidence for this?
- Do the likely companies selected have any intention to distribute products or services from South Australia? What is the evidence for this?
- Do the likely companies selected have any intention to build or develop plant and equipment in South Australia? What is the potential total value of investment to be permanently located in South Australia?
- Are the likely companies selected capable of conducting research and development (including product or service development) with South Australian institutes or the private sector?
- Are the likely companies selected capable of new research and development collaborations in South Australia in the next 12-24 months? What is the evidence for this? What is the likelihood of this?
- Are the likely companies selected capable of conducting any product or service trials in South Australia prior to launching them? What is the likelihood of this?

Tailored IPP Plan templates are available for:

- Health Industries
- Information Economy and Advanced Technology

Templates can be established on a once off opportunity basis to attract investment to South Australia as well.

5. Fabrication of structural steelwork

With regard to section 5.2 of the Policy: As an interim measure, until sufficient South Australian steel fabrication businesses have achieved certification to the project Construction Category level, a steel fabricator who has applied for and is in the process of certification may be engaged to conduct work.

6. Contact

Public Projects and Participation Division

Department of State Development

Level 13, Stillwell House

99 Gawler Place, Adelaide SA 5000

Telephone: 08 8226 8967

Table 1: Industry Participation Policy Requirements

All thresholds are inclusive of GST

Category	Tender Requirement	Reporting Requirement
	<i>Note that the IPP Requirements below are to include sub-contracting arrangements where they are proposed/exist</i>	
All procurements	All procurements will consider opportunities for small businesses and start-up businesses operating in South Australia with a view to involving these businesses in the opportunity through provision of a quote or tender	Contractor No reporting requirements RGA No reporting requirements
Procurements in Regional South Australia	The relevant Regional IPP requirement applies and RGA will seek at least 1 quote from the Region	Contractor No reporting requirements RGA No reporting requirements
Procurements where an Aboriginal business is tender ready and represents good value	RGAs should actively promote Aboriginal economic participation RGAs should consider the option to single source under \$220,000 RGAs should consider whether to raise IPP weighting above \$220,000 with focus on Aboriginal participation	Contractor No reporting requirements RGA Agencies to set targets and annually report to the Office of the Industry Advocate (OIA)
Government procurement where tender value is between \$33,000 and the IPP Plan threshold	One quote or tender must be from an SA business (or the region) where possible. ECT to be completed and forms part of the evaluation of value-for-money. From \$220,000 the ECT forms a minimum 15% of overall evaluation.	Contractor No reporting requirements RGA Annual reporting on contracting activity including ECT details
Grants to the private sector from \$500,000	IPP requirement determined by the RGA after advice from PPP.	Contractor Reporting requirements will be determined based on the IPP requirements Reports to go to OIA RGA Reporting requirements will be determined based on the IPP requirement

Category	Tender Requirement	Reporting Requirement
	<i>Note that the IPP Requirements below are to include sub-contracting arrangements where they are proposed/exist</i>	
Private projects receiving \$2.5 million in monetary support or value-in-kind	IPP requirement determined by the RGA after advice from PPP.	<p>Contractor</p> <p>Reporting requirements will be determined based on the IPP requirements</p> <p>Reports to go to OIA</p> <p>RGA</p> <p>Reporting requirements will be determined based on the IPP requirement</p>
Programs of small infrastructure projects – e.g. stimulus package	IPP requirement determined by the RGA after advice from PPP.	<p>Contractor</p> <p>Reporting requirements will be determined based on the IPP requirements</p> <p>Reports to go to OIA</p> <p>RGA</p> <p>Reporting requirements will be determined based on the IPP requirement</p>
Government procurement subject to IPP Plan	<p>Submission of an IPP Plan is required for the tender to be considered compliant.</p> <p>IPP Plan has a minimum 15% weighting.</p>	<p>Contractor</p> <p>Minimum of <u>annual</u> reporting against IPP commitments to the OIA</p> <p>RGA</p> <p>Annual reporting on contracting activity including IPP details</p>
Government procurement where tender value is \$50 million and over	<p>Completing a Tailored IPP Plan is required. The PPP will work with the RGA to develop an IPP Plan template tailored to the contract or project.</p> <p>IPP Plan has a minimum 15% weighting</p>	<p>Contractor</p> <p>Minimum of <u>bi-annual</u> reporting against IPP commitments to the OIA</p> <p>RGA</p> <p>Annual reporting on contracting activity including IPP details</p>
Opportunities for Expanded Economic Opportunity	<p>Completing a Tailored IPP Plan is required. The PPP will work with the RGA to develop an IPP Plan template tailored to the contract or project.</p> <p>IPP Plan has a minimum 15% weighting.</p>	<p>Contractor</p> <p>Minimum of <u>bi-annual</u> reporting against IPP commitments to the OIA</p> <p>RGA</p> <p>Annual reporting on contracting activity including IPP details</p>

Category	Tender Requirement	Reporting Requirement
	<i>Note that the IPP Requirements below are to include sub-contracting arrangements where they are proposed/exist</i>	
Panel with upfront Tailored IPP Plan	Completing a Tailored IPP Plan is required. IPP Plan has a minimum 15% weighting.	Contractor Minimum of <u>bi-annual</u> reporting against IPP commitments to the OIA RGA Annual reporting on contracting activity including IPP details
Panel contracts with secondary procurements (and no Tailored IPP Plan)	An IPP Plan will be required to be completed for any quotes that come from the panel membership that are equal to or greater than \$1 million in regional areas or \$4 million in metropolitan Adelaide An ECT will apply to competitive secondary procurement processes above \$33,000 but less than \$1 million in regional areas or \$4 million in metropolitan Adelaide Industry participation carries a minimum 15% weighting.	Contractor Reporting requirements will be determined based on the IPP requirements for the specific panel to OIA RGA Reporting requirements will be determined based on the IPP requirements for the specific panel

Table 2: Summary of Roles and Responsibilities – Economic Contribution Test

This table provides an overview of the roles and responsibilities of the RGA, Tenderer, PPP and the OIA at each step of the procurement process, specific to the Economic Contribution Test (ECT). This table is to be used as a guide only and needs to be read in conjunction with the relevant sections of these guidelines.

	Responsible Government Agency	Tenderer	Public Projects and Participation	Office of the Industry Advocate
Project Inception	<ul style="list-style-type: none"> Check SA IPP to see if ECT applies – Yes/No Is this a Regional SA procurement – if so apply Regional ECT Consider if the minimum weighting should be increased. 		<ul style="list-style-type: none"> Assist RGA to determine appropriate application of ECT if required Provide assistance and advice to RGA on raising minimum weightings. 	
Tender Preparation	<ul style="list-style-type: none"> Include ECT weighting in tender evaluation plan (for procurements above \$220,000) 		<ul style="list-style-type: none"> Provide advice to agencies on how to include ECT weighting in tender evaluation plan. 	
Tender Release	<ul style="list-style-type: none"> Assist tenderers to complete ECT or direct them to the OIA if required. 	<ul style="list-style-type: none"> Complete ECT and include with tender 		<ul style="list-style-type: none"> Provide assistance to tenderer with regards to completing ECT where required
Tender Assessment	<ul style="list-style-type: none"> Assess ECT and incorporate result into tender assessment 		<ul style="list-style-type: none"> Provide assistance to RGA if required 	
Contract Award	<ul style="list-style-type: none"> Record details of ECT and tender as required to meet IPP reporting requirements 	<ul style="list-style-type: none"> Comply with ECT commitments 		
Ongoing Contract Management				<ul style="list-style-type: none"> Benefits realisation framework

Table 3: Summary of Roles and Responsibilities – Industry Participation Plans

This table provides an overview of the roles and responsibilities of the RGA, Tenderer, PPP and the OIA at each step of the procurement process specific to Industry Participation Plans. This table is to be used as a guide only and needs to be read in conjunction with the relevant sections of these guidelines.

	Responsible Government Agency	Tenderer	Public Projects and Participation	Office of the Industry Advocate
Project Inception	<ul style="list-style-type: none"> Check if project is within the scope of SA IPP Advise the OIA if project is over \$4m (\$1m Regional). Forward draft acquisition plan to PPP for review for all projects over \$4m (\$1m Regional). If Regional – apply Regional IPP Plan. <u>Consider if the minimum weighting should be increased. and complete expanded economic opportunity assessment.</u> If Cabinet Submission is required, note that PPP <u>must</u> be consulted 		<ul style="list-style-type: none"> Meet with RGA to discuss application of SA IPP. <u>Review acquisition plan for expanded economic opportunities.</u> Provide assistance and advice to RGA on raising minimum weightings and any tailored requirements. 	
Tender Preparation	<ul style="list-style-type: none"> Ensure wording in tender documentation refers to SA IPP Include IPP weighting in tender evaluation plan. Inform PPP of tender open and close dates and likely tender assessment timeframes. 		<ul style="list-style-type: none"> For tenders over \$50 million (or being of a kind to generate economic opportunities), prepare a template for a Tailored IPP Plan. Provide advice to RGA on how to reference the IPP in tender documents and include IPP weighting in tender evaluation plan. 	
Tender Release	<ul style="list-style-type: none"> Encourage tenderers to contact OIA for assistance to identify capable local suppliers and for assistance with IPP Plan preparation. 	<ul style="list-style-type: none"> Complete IPP Plan and include with tender. Contact OIA with regard to project if unable to locate competitive local suppliers. 		<ul style="list-style-type: none"> Provide assistance to tenderer with regards to local supplier identification and completing IPP Plan where required.

	Responsible Government Agency	Tenderer	Public Projects and Participation	Office of the Industry Advocate
Tender Assessment	<ul style="list-style-type: none"> Provide copy of signed IPP Plans to PPP for assessment Preclude tenders that have not submitted IPP Plans from contract award (on advice from OIA). 		<ul style="list-style-type: none"> Assess IPP Plans and advise RGA on compliance status and score. 	
Contract Award	<ul style="list-style-type: none"> Inform PPP and OIA of successful tenderer and contract term. 	<ul style="list-style-type: none"> Comply with IPP Plan obligations. Contact OIA with regard to project if unable to locate competitive local suppliers. 		<ul style="list-style-type: none"> Assist successful business with finding capable local suppliers where required.
Ongoing Contract Management	Request IPP Plan report from contractor in line with contract conditions.	<ul style="list-style-type: none"> Comply with IPP Plan obligations. Submit IPP Plan report to OIA in line with contract conditions. 		<ul style="list-style-type: none"> Assess IPP Plan report Implement benefits realisation and reporting framework.

Definitions

Full, Fair and Reasonable

In the term 'full, fair and reasonable' these words have the following meanings:

- **Full:** local SMEs have the same opportunity afforded to other global supply chain partners to participate in all aspects of a project from project design through to completion.
- **Fair:** local SMEs are provided the same opportunity as global suppliers to compete for contracts on an equal and transparent basis, including being given adequate time in which to tender.
- **Reasonable:** Subject to any explicit requirement of the head contract, tenders are free from technical requirements that might rule out local industry and are structured in such a way that they do not preclude local SMEs from the opportunity to participate in projects and compete for contracts.

When technical specifications are being prepared for contracts, care should be taken to use Australian standards, or standards regularly used in Australia, to ensure that local suppliers are not "designed out" of the contract.

Local labour: The employee's principal place of residence is to be used to determine South Australian (or regional) labour. Fly-in fly-out arrangements are not to be included in the locational information.

Metropolitan Adelaide is the State Government regions of Western Adelaide, Northern Adelaide, Eastern Adelaide and Southern Adelaide. A map of these regions can be found at [South Australian Government Regions](#).

Region is the relevant State Government region.

Regional South Australia is defined as those parts of South Australia not included as Metropolitan Adelaide.

Note: For projects with activity in both regional and metropolitan areas, the test is where the majority of the activity will be carried out. If the majority of project activity is carried out in regional areas then the regional \$1 million threshold applies. If the majority of work will be carried out in metropolitan Adelaide then the metropolitan \$4 million threshold applies. If you are unsure, contact the PPP.

Responsible Government Agency (RGA)

RGAs include both the "public authorities" made or declared and the "prescribed public authorities" declared under the *State Procurement Act 2004* and accompanying regulations.

- For government procurement, the agency responsible for awarding the contract.
- For government support, the agency responsible for administering the support package.

Small and Medium Enterprises (SMEs)

Small and Medium Enterprises (SMEs) are defined by the Australian Bureau of Statistics (ABS) as businesses employing less than 200 people, or in accordance with the ABS Estimated Value of Agricultural Operations.

Value-for-money

Consistent with the State Procurement Board definition, value-for-money is achieved by formulating procurement decisions that achieve the best possible outcome in both financial and non-financial terms in a timely and efficient manner, commensurate with the nature of the purchase. Factors which may be considered in assessing value-for-money include:

- Fitness for purpose
- Service support and warranty
- Whole of life cost
- Quality
- Timeliness
- Efficiency and effectiveness
- Flexibility
- Intangible costs and benefits
- Price
- Contribution to Government priorities

Appendix A – Regions South Australia

Regional South Australia is defined as those parts depicted in the map above but excluding Western Adelaide, Northern Adelaide, Eastern Adelaide and Southern Adelaide.

http://www.sa.gov.au/data/assets/pdf_file/0019/9442/SA_Government_regions_State_map.pdf

