

FEES EXPLAINED



Your gateway
to working with
Local Government

SUPPLIER OBLIGATIONS

What fees do I pay to be a Local Buy Supplier?

Local Buy is a profit-for-purpose organisation owned 100% by the LGAQ with all profits going back to support the work of Local Government. Local Buy charges an annual Supplier Verification Fee and a monthly Contract Management Fee which is payable on all work received through the relevant Arrangement to suppliers to ensure that this support of Local Government can continue.

As a supplier on the Local Buy LGA Arrangement, you gain access to a wide range of organisations actively seeking to purchase products and services. Opening new avenues for expanding your market reach and increasing your chances of success.

Being a pre-qualified supplier on the LGA Arrangement comes with several advantages. It facilitates a streamlined procurement process, saving valuable time and resources for both suppliers and councils. Additionally, it helps reduce tendering costs, leading to cost savings and improved efficiency.

To be included in the LGA Arrangement Register of Pre-Qualified Suppliers, suppliers undergo an assessment by Local Buy. This assessment evaluates the supplier's technical, financial, and managerial capabilities, ensuring they have the necessary capacity to deliver contracts on time and in accordance with the agreed requirements outlined in the Specification document. The evaluation criteria carefully consider these requirements.

Suppliers appointed to the LGA Arrangement are required to fulfill certain financial obligations. This includes paying an annual Supplier Verification Fee (SVF) to maintain supplier certification. Additionally, suppliers must complete monthly reporting and pay a Contract Management Fee (CMF).

*Local Buy is a profit-for-purpose organisation
100% owned by the LGAQ*

Contract Management Fee (reported monthly)

The purpose of the Contract Management Fee (CMF) is to cover the setup and ongoing maintenance of contracts that are specifically designed for Council use.

This fee encompasses a range of administrative tasks associated with the operation of Local Buy, which includes managing over 50 distinct Arrangements and a vast network of 3,800 suppliers. One of the primary objectives of the CMF is to ensure that suppliers are correctly established in the relevant databases, thereby enhancing the accuracy and efficiency of their profiles for councils and other buyers to view.

Local Buy strives to maintain a low CMF to minimise the overall cost of doing business with councils, while simultaneously relieving suppliers from the burden of participating in a tender process. Local Buy aims to facilitate smooth and cost-effective transactions between suppliers and councils by keeping the fee as low as possible.

The Contract Management Fee varies per Arrangement (from 0.75% to 2.0%) and can be found within the tender documents in the General Conditions of Contract document within Schedule A – Contract Details. The contract management fee is only payable on work received through a Local Buy Arrangement.

The Supplier Verification Fee

The Supplier Verification Fee (SVF) is an annual charge that, supports the diligent verification of compliance, serving as a mechanism to uphold standards and regulations. By covering these essential functions, the SVF contributes to the smooth functioning of Local Buy and the overall facilitation of supplier-related processes.

This annual fee is \$500 (ex GST) upon initial appointment to Local Buy, and \$250 (ex GST) each year thereafter. If you are a small business, sole trader, indigenous or social enterprise you may be eligible for a fee exemption.

To be eligible for this exemption, you must meet the following criteria:

- Have an aggregated revenue of less than \$500,000 per annum.
- Sole Trader.
- The Supplier Verification Fee exemption is only applicable to small businesses with a registered head office in Queensland, Tasmania or the Northern Territory. Proof of eligibility will be required.

Or be a:

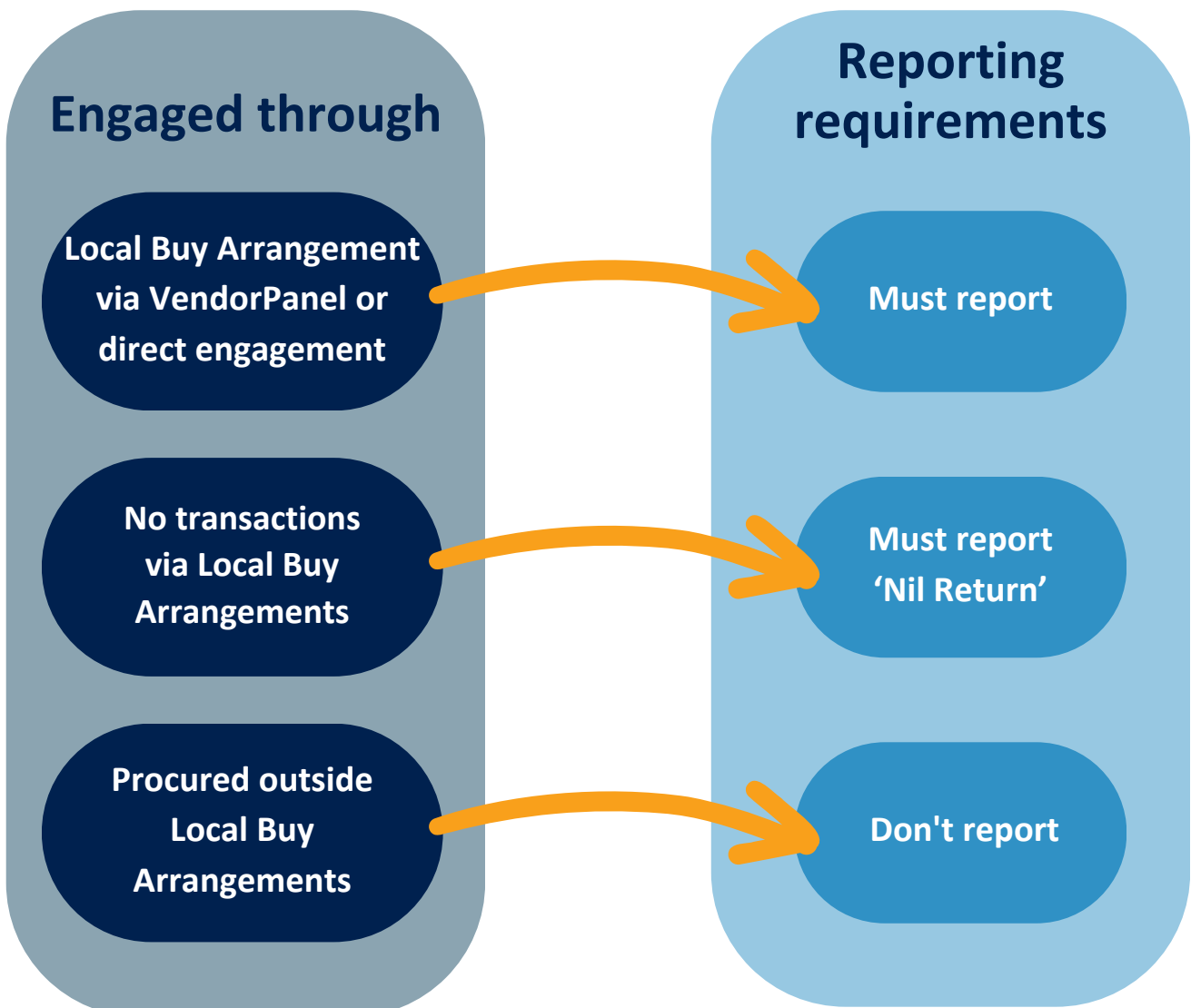
- Registered charity.
- Indigenous businesses (Supply Nation or Black Business Finder).
- Registered Social Enterprise (with Social Traders).

Reporting

Monthly reporting is completed through the Local Buy Reporting Portal and is a seamless process that is quick and easy to complete.

As a Supplier, you are required to submit a Monthly Sales Return which details any work you have undertaken with purchasers under Local Buy LGA Arrangements. The submission includes the following:

- **Invoiced Amounts:** The return should include all invoiced amounts raised by the contractor, as well as any amounts invoiced by the contractor's sub-contractors or agents for each month.
- **NIL Return:** Even if you have no sales to report for a particular month, a NIL return is still required.
- **Submission Deadline:** The Monthly Sales Return is due by the close of business (COB) on the 21st of each month.
- **Consequences of Non-Compliance:** Failure to submit reports for consecutive periods may lead to suspension or termination from the Local Buy LGA Arrangement.



Contact Us



Connect with your dedicated Contract Team at Local Buy. Our team is here to provide support during the procurement process for councils, members, and suppliers. Reach out to your dedicated team for assistance at anytime.



contracts@localbuy.net.au



1800 LB HELP (52 4357)



localbuy.net.au



Local Government House
Level 1, 25 Evelyn Street,
Newstead Qld 4006