

SOUTH REGIONAL TAFE — ESPERANCE CAMPUS

577. Hon COLIN de GRUSSA to the Minister for Education and Training:

I refer to request for tender BMW03921/19 South Regional TAFE, Esperance, new replacement campus awarded to EMCO Building.

- (1) What is the projected direct spend for the supply of goods and services by local suppliers?
- (2) Was the level of direct spend with local suppliers a determining factor in awarding the tender?
- (3) What contractual mechanisms are in place to ensure that the selected tenderer meets the specified direct local spend, and what penalties apply if they do not meet that spend?
- (4) What methodology is used to determine whether a supplier is local other than stipulating a local registered address?

Hon SUE ELLERY replied:

I thank the honourable member for some notice of the question. By way of background, in this case I am the minister for the client, which is TAFE. The Department of Finance has provided these answers.

- (1) EMCO Building nominated local content of approximately \$2 million as part of its tender submission. However, this amount is expected to be exceeded on the project, with 12 of the 13 contractors initially engaged being either local or regional businesses.
- (2) The contract award decision was based on a value-for-money assessment, considering both cost and non-cost factors and having regard to the available budget.
- (3) The Department of Finance regularly monitors local content commitments and has broad powers to deal with contractual breaches, including the recovery of shortfalls and termination. Failure to comply with contractual commitments may also result in a sanction being applied under the department's supplier demerit scheme, which may affect a company's future prospects of being awarded government work.
- (4) When there are concerns about the bona fides of a supplier's address, the Department of Finance can request further information to substantiate its claims and/or undertake its own inquiries.