

**REVISIONS TO  
GOVERNMENT OF THE NORTHWEST TERRITORIES  
BUSINESS INCENTIVE POLICY**

**QUESTIONS AND ANSWERS**

**1. What is the Business Incentive Policy?**

The Business Incentive Policy (BIP) is an economic policy that applies to procurement contracts entered into directly by the Government of the Northwest Territories (GNWT). The policy leverages government procurement dollars to maximize benefits for residents of the Northwest Territories.

**2. How many NWT-based companies are there registered under the BIP?**

There are approximately 1,300 NWT based companies registered under the BIP from all communities of the Northwest Territories.

**3. Is there a list of BIP registered businesses?**

The list of approved northern businesses can be found on our website at [www.bipregistry.nt.ca](http://www.bipregistry.nt.ca)

**4. Why was the BIP revised?**

A preferential procurement policy began in 1976. The current version of the BIP has been in place since 1992. More recently, the need has been identified to address a number of key concerns. The revised BIP is based on consultation conducted with the public and the business community from 2008 – 2010.

**5. What were the key issues identified during consultations in shaping the revised BIP?**

The key issues were:

- Communities expressed concern that BIP undermines their authority over government funding they receive for operations.
- There was a need to increase competition on major capital projects.
- More support was needed for NWT resident-owned small and medium-sized businesses.
- The format of the policy was not consistent with current GNWT policies.

**6. What are the main changes in the revised policy?**

There are four main changes to the policy:

**Scope:**

The BIP will apply to GNWT Departments, the NWT Business Development and Investment Corporation, the NWT Housing Corporation, and Housing Authorities, Health Authorities, and Education Bodies. The BIP will not apply to communities, and other boards and agencies.

**Non-Resident Business:**

New applications from non-resident business owners will no longer be accepted as of November 1, 2010. Non-resident businesses previously approved will retain their BIP status.

**Policy Format:**

Format of the policy has been modernized to be consistent with current GNWT Policies.

**Bid Adjustment**

Effective November 1, 2010, the following revised bid adjustments will apply:

- For contracts valued up to \$1 million – a bid adjustment of 15 percent NWT and 5 percent local (as currently applied).
- For contracts valued over \$1 million – a bid adjustment of 15 percent NWT and 5 percent local on the first million dollars, and 1.5 percent NWT and 0.5 percent local on the remainder of the contract value.
- A bid adjustment cap of a maximum of \$500,000 would apply on any contract.
- This approach was proposed by the NWT Construction Association.

**7. What are the eligibility criteria for BIP registration?**

To be eligible for registration under the BIP, a business must comply with the legal requirements to carry on business and meet the following criteria:

- (a) In the case of a corporation, it must be registered under the *Business Corporations Act (NWT)* or the *Canada Business Corporations Act*, with at least 51 percent of voting shares beneficially owned by NWT residents. An NWT resident is defined as an individual who is ordinarily resident in the NWT and has been so resident for the last 12 months.
- (b) In the case of a co-operative association, it must be registered under the *Co-operative Associations Act (NWT)* with at least 51 percent of voting shares beneficially owned by NWT residents.
- (c) In the case of a partnership, the majority interest in the partnership is owned by NWT residents.
- (d) In the case of sole proprietorship, the sole proprietor is an NWT Resident.
- (e) In the case of any business, including a corporation, co-operative association, partnership or sole proprietorship, the business must:
  - (i) Hold a current business licence issued by a municipal corporation or the GNWT.
  - (ii) Operate from a bona fide place of business owned or leased from year to year (or for a longer term of years) in the NWT and have done so prior to the date of application.

(iii) In the case of an NWT supplier, it must meet the eligibility requirements of the BIP, be accessible to the public and have an inventory of product for sale.

**8. Where can I find an application to register my business?**

The application and other information related to the policy can be found at <http://www.iti.gov.nt.ca/iea/bip/index.htm>

**9. Where do I take my application?**

Applications can be submitted to the Department of Industry, Tourism and Investment offices located in Hay River, Fort Smith, Norman Wells, Inuvik and Yellowknife.