

POLICY

INDUSTRY, TOURISM AND INVESTMENT

NORTHWEST TERRITORIES MANUFACTURED PRODUCTS POLICY

1. POLICY STATEMENT

1.1 Pursuant to the Business Incentive Policy (BIP), the Government of the Northwest Territories is committed to encouraging local production as a foundation for the Northwest Territories (NWT) economy and will, when purchasing goods, services or construction, provide an incentive in favour of NWT manufactured products in a manner that recognizes the higher cost of operation and manufacturing in the NWT, and complies with any intergovernmental agreements to which the Government of the Northwest Territories must adhere.

2. OBJECTIVES

2.1 The objectives of this Policy are to:

- (a) Encourage local production as a means to diversify the NWT economy; and
- (b) Foster and maintain the investment, jobs and income produced by local manufacturing.

3. SCOPE

3.1 This Policy applies to all departments of the Government of the Northwest Territories and to those public agencies identified in Schedule 1 of the BIP.

4. DEFINITIONS

4.1 For the purposes of this Policy, the following definitions apply:

Contract Authority – as defined in the *Government Contract Regulations* established under the *NWT Financial Administration Act*.

Approved NWT Manufactured Product— Any product approved for registration by the BIP Senior Management Committee (BIP SMC) and entered into the Approved NWT Manufactured Products Registry.

Approved NWT Manufactured Products Registry – the list of Approved NWT Manufactured Products maintained in accordance with this Policy.

5. AUTHORITY AND ACCOUNTABILITY

- 5.1 This Policy is made pursuant to section 5(2)(b)(iv) of the BIP.
- 5.2 Applications for registration of Approved NWT Manufactured Products are reviewed by the appropriate BIP Regional Qualification Committee (RQC) and recommendations are made to the BIP Monitoring Office (BIPMO).
- 5.3 The BIPMO prepares a decision item based on the recommendations of the RQC and provides it to the BIP SMC.
- 5.4 The BIP SMC reviews and approves or rejects the application(s).
- 5.5 The BIPMO maintains the Approved NWT Manufactured Products Registry.
- 5.6 The Contract Authority verifies that pricing of an Approved NWT Manufactured Product is consistent with this Policy.
- 5.7 The BIPMO and the appropriate RQC conduct reviews of the pricing of an Approved NWT Manufactured Product at the request of a Contract Authority. If it is determined that the eligibility criteria are no longer met, and the manufacturer declines to amend pricing, the BIP SMC may recommend that the product be struck from the Approved NWT Manufactured Products Registry.

6. ELIGIBILITY FOR REGISTRATION

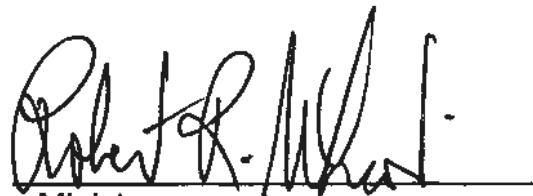
- 6.1 In order to be eligible for registration under this Policy, the appropriate RQC must be satisfied that the product is manufactured in the NWT by a BIP Business as defined under the BIP; is of at least 25 percent NWT value-added; and is priced at no more than 20 percent greater than similar product f.o.b. the site of manufacture or 25 percent greater than similar product f.o.b. the destination for final delivery.

7. APPROVED NWT MANUFACTURED PRODUCTS REGISTRY

- 7.1 If the Application for Registration of an Approved NWT Manufactured Product is approved by the BIP SMC, the product will be added to the Approved NWT Manufactured Products Registry.
- 7.2 An Approved NWT Manufactured Product will remain registered until it has been determined by the BIP SMC that the product does not meet the eligibility requirements of this Policy.

8. PROCUREMENT

- 8.1 All departments of the Government of the Northwest Territories and those public agencies identified in Schedule 1 of the BIP will apply an increased incentive in contracts for the procurement of goods or construction as follows:
 - (a) Where there is only one manufacturer of an Approved NWT Manufactured Product, the Approved NWT Manufactured Product will be purchased from that manufacturer;
 - (b) Where two or more manufacturers supply Approved NWT Manufactured Products, only those manufacturers will be invited to bid on the contract; and
 - (c) Where an Approved NWT Manufactured Product would meet the requirements of the construction, maintenance or goods contract, the use of the Approved NWT Manufactured Product must be made a term of the contract.



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