



INTERPRETIVE BULLETIN IB-5

Application and Substantiation of Local and NWT Tender Adjustments on Joint Ventures

This Interpretive Bulletin Number #5 is issued pursuant to the Business Incentive Policy 63.02.

ISSUE:

The Business Incentive Policy provides a NWT and Local tender adjustment (hereinafter called an incentive) in order to maximize benefits for NWT Residents. Occasionally two or more businesses may join forces in order to take advantage of each other's expertise and experience. This leads to business relationships, which are referred to as joint ventures. The Business Incentive Policy does not directly address the issue of a joint venture's residency. Because of the potential abuse which may occur from joint ventures trying to obtain more Local and NWT incentive than they merit, the BIP Senior Management Committee has determined that joint venture submissions will be evaluated on the basis of the Local and NWT Content of each business' contribution to the performance of the contract.

THEREFORE:

In respect to Section 6(6), NWT Content and Section 6(7), Local Content:

- A joint venture will not be approved as a BIP Business.
- A joint venture may submit a tender on a GNWT contract. However, for the purposes of the application of the Business Incentive Policy, each party to the joint venture will be treated as a separate contractor and the value of their respective NWT and Local Content will be treated in the same manner as if the joint venture had bid as a general contractor and/or a sub contractor.