

Government of
Northwest Territories

March 2023

Guide to the Business Incentive Policy (BIP)

Department of Industry, Tourism and Investment



If you would like this information in another official language, call us.

English

Si vous voulez ces informations dans une autre langue officielle, contactez-nous.

French

Kīspin ki nitawih̄tīn ē nīh̄yawih̄k ōma ācimōwin, tipwāsinān.

Cree

Tłjchq yatı k'èè. Dı wegodı newq dè, gots'ō gonede.

Tłjchq

ʔerih̄t'is Dēne Sųłné yatı t'a huts'elkēr xa beyáyatı theʔą ʔat'e, nuwe ts'ēn yóftı.

Chipewyan

Edı gondı dehgáh got'je zhatıé k'éé edat'éh enahddhę nıde naxets'é edahıı.

South Slavey

K'áhshó got'jne xadā k'é hederı ʔedjhtı'é yerınwę nıde dúle.

North Slavey

Jii gwandak izhii ginjik vat'atr'ijahch'uu zhit yinothtan jı', diits'at ginohkhii.

Gwich'in

Uvanittuaq ilitchurisukupku Inuvialuktun, ququaqluta.

Inuvialuktun

Ċ'đċ ħħ'ḃḃΔĊ ĤĤĤĤĤĤĤ ΔđĤĤĤĤĤĤĤĤ, ĐĤĤĤĤĤĤĤĤ ĐĤĤĤĤĤĤĤĤĤĤĤ.

Inuktitut

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.

Inuinnaqtun

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Introduction and Program Objectives

The purpose of the Business Incentive Policy (BIP) is to give preference on government procurement to businesses that are owned and operated within the NWT and other businesses that engage NWT-based labour, suppliers, or services for their contracts. It is designed to promote economic growth and capacity within NWT Businesses and the economy, while:

- recognizing the higher cost of operating businesses, employing personnel, and manufacturing products in the Northwest Territories;
- encouraging Northwest Territories-based businesses to create employment and develop necessary experience and essential business skills; and
- complies with any intergovernmental agreements to which the GNWT must adhere.

Principles of BIP

As outlined in the BIP Policy, the GNWT will adhere to the following principles when implementing this Policy;

- Government procurement practices should maximize benefits for residents of the Northwest Territories
- Government policies and practices should enhance the Northwest Territories business environment to ensure sustained economic growth
- This Policy should not prejudice any present or future self-government, treaty or land claimed based rights

Who can Apply?

- Any person(s) who operates a business from a physical location in the NWT
- Businesses who are a majority owned by an NWT resident(s)
- Anyone who has been a resident within the NWT for the past 12 months or more prior to applying

When will my business go live on the BIP Registry?

- Any business approved for registration will be entered onto the BIP Registry
- Any business approved for registration in the BIP Registry will be entered into the Registry within 2 weeks of the date of the notice of approval
- The business will remain registered until:
 - (i) its registration is revoked; or
 - (ii) it fails to maintain its ability to meet the eligibility requirements of this Policy

What is eligible for BIP adjustments?

- Goods purchased from a BIP registered business which has been approved to supply that specific good
- Services provided by a BIP registered business
- Use of northern labour

When can non-BIP registered businesses receive BIP adjustments?

- If you use a BIP Registered company for northern supply of goods
- If you use a BIP registered company for northern supply of services
- If you use northern labour

How are Bid Adjustments Applied?

Under \$25,000, public competition for the purchase or contract is optional; if there is no public bidding (which would include Southern/International businesses) there is no need for the BIP adjustment. GNWT Expenditure Authorities **must follow a sourcing order of operation** for all goods or services contracts valued at less than \$25,000.

The GNWT order of operation for sourcing qualified vendors requires that goods or services be obtained from:

1. a **BIP-registered local** vendor (municipality where goods or services are required); if none, then
2. a **BIP-registered NWT** vendor (any location within the Northwest Territories); if none, then
3. a **Local** vendor, NON BIP-registered (municipality where goods or services are required); if none, then
4. an **NWT** vendor, NON BIP-registered (any location within the Northwest Territories); if none, then
5. a Southern or International vendor.

This order of operations does not apply to contracts for Professional Services valued at under \$50,000 and architectural and engineering services valued under \$100,000.

When Bidding on Tenders

For the amount of the bid up to **and including \$1,000,000** of your bid:

- A 15% bid adjustment will be applied to any NWT Content
- An additional 5% bid adjustment will be applied to any Local Content

For the amount of the bid which is **over \$1,000,000**:

- Up to the maximum allowable adjustment, a 1.5% bid adjustment will be applied to any NWT Content
- Up to the maximum allowable adjustment, an additional 0.5% bid adjustment will be applied to any Local Content

The maximum allowable adjustment is \$500,000

BIP Eligibility Criteria

The following criteria must be met for your business to be eligible onto the BIP Registry.

***Note that the last document only applies if you are a retailer of goods.*

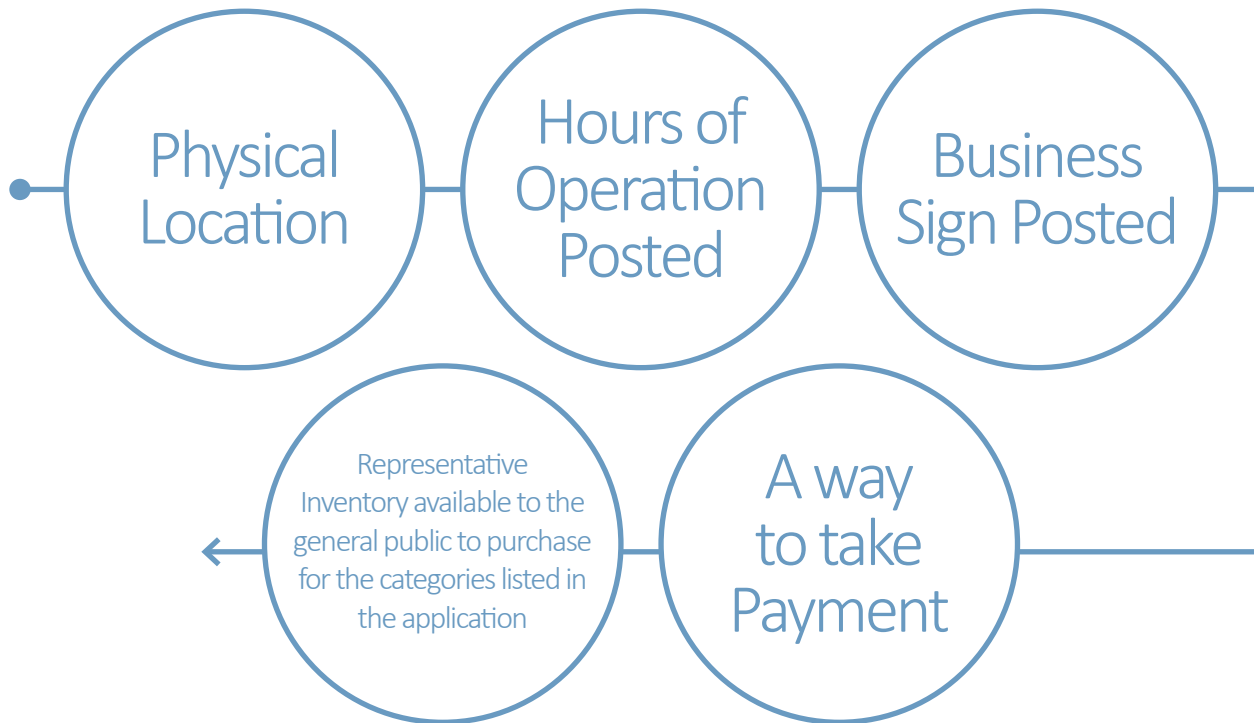
- Corporations, Co-operatives, or Partnerships with at least 51% of voting shares beneficially owned by NWT Residents / Sole Proprietorships, and
- Complies with legal requirements to carry out business in the NWT; is registered with the GNWT's Corporate Registries Division of Justice, and
- Holds a current business license issued by an NWT municipality, or by the GNWT's Consumer Affairs Division of MACA (smaller communities without business licensing bylaws), and
- Operates from a bona fide place of business owned or leased from year to year (or longer term) in the NWT, and has done so prior to the date of application
- ****In the case of an NWT Goods Supplier: meets the eligibility requirements of the BIP, is accessible to the public, and has representative inventory of the product categories for sale.**

Goods Inspection Process

(see Appendix for copy of the form)

Local Supplier – is an NWT supplier, which is and has been for the six months prior to application, a supplier of goods in the local community to which the public has access and from which the public can purchase directly from a representative inventory of items offered for sale.

A member from the ITI Regional office will do a site inspection looking for the following and will be taking photos to be saved on the file:



Application Requirements

Below is the list of documents that must accompany your application, which can be found here: https://www.iti.gov.nt.ca/sites/iti/files/nwt9090_fillable_final.pdf

Proof of Registration with NWT Corporate Registries

- is a document evidencing that the business meets the legal requirement to conduct business in the NWT. The document is available from the GNWT Corporate Registries Division
- Contact by phone 867-767-9304 or 1-877-743-3302 between 9:30 a.m. to 4:00 p.m. from Monday to Friday. Visit <https://www.justice.gov.nt.ca/en/business-names/page/3/> for additional information and online

Certificate of Compliance

- is a document evidencing that the business (corporations only) is in good standing with the legal requirement to file annual returns with the GNWT Legal Registries Division noted above

NWT Business Licence

- is a document evidencing that the business has been licenced to conduct business in the NWT community indicated on the application.
- The document is issued by a community government or, where applicable, obtained from the Public Safety Division, Department of Municipal and Community Affairs in Yellowknife at telephone 867-767-9161 ext 21021

NWT Proof of Property Ownership or Lease

- is a document such as a current NWT land titles certificate or current lease agreement for the company covering the last 12 months, that evidences that the applicant operates from a bona fide place of business owned or leased from year to year (or for a longer term of years) in the NWT

Share Register (Corporations only)

- is a document evidencing all shareholders of the business. The Business Incentive Policy requires that 51 percent of the voting shares are beneficially owned by NWT resident(s). An NWT resident is an individual who is ordinarily resident in the NWT and has been so resident for the last 12 months.
- Your Securities Register that shows all Classes of Shares must be attached

NWT Proof of Residency

- for majority shareholder(s) (minimum total 51 percent) is a document such as a current NWT Driver's Licence OR General Identification Card (GIC) issued at least 12 months prior to application OR Statutory Declaration evidencing NWT residency for the last 12 months

Application Process

- Complete the online application found on the ITI website
<https://www.iti.gov.nt.ca/en/services/business-incentive-policy>
- Send the application along with the required documents to the ITI office in your Region for consideration and approval
- See service standards section for timelines (page 14)

Application Notification

- Once approved by Regional Qualification Committee (RQC), a draft letter will be signed by the ITI Chair to be emailed to the client.
- A copy of the approved application and approval letter to BIP Monitoring Office (BIPMO) outlining date of approval, effective date (14 calendar days from the approval date) and list the goods, services and construction categories.

Who is the BIP Regional Qualification and Senior Management Committee?

BIP RQC includes the Regional Superintendent of ITI (or his/her delegate) who serves as Chair; and representation from at least three other departments or public agencies subject to this Policy.

BIP Senior Management Committee (BIP SMC) includes the following members, or their delegates: the Deputy Minister of Industry, Tourism and Investment (ITI) who serves as Chair; the Deputy Minister of Infrastructure (INF); the Deputy Minister of Finance (FIN); and the President of the Northwest Territories Housing Corporation (NWTHC). The Deputy Minister of Justice (JUS) will also provide advisory support to the BIP SMC.

What can be appealed?

Under the BIP Policy, applicants that have been denied registration or revoked by a BIP RQC may appeal in writing to the BIP Senior Management Committee (SMC) within 30 days of the date of the letter informing them of the denied registration or revocation. An application would be denied or revoked if the applicant didn't meet or failed to maintain the eligibility criteria, set out in the Policy. (See BIP ELIGIBILITY CRITERIA ABOVE)

An appeal will be considered when there is new information that has become available or if the applicant believes that the Policy has not been applied correctly.

What is the Appeal Process?

If a company is declined approval by the RQC onto the BIP Registry, the company can appeal the decision to the BIP SMC, as per the Policy. Below is the process:

A letter is sent to the business from the RQC outlining why they have been declined or revoked and reference back to the eligibility criteria in the Policy

The letter will also include the wording that the business can appeal and who to contact:

Attention: Kim Wilkins, Secretary, Business Incentive Policy Senior Management Committee
Industry, Tourism and Investment, Government of the Northwest Territories
Suite 201-77 Woodland Drive
Phone: (867)875-7857 Email: Kim_Wilkins@gov.nt.ca

Client emails/calls above contact person to advise they wish to appeal the RQC decision to the BIP SMC and the Manager works with the client to provide the relevant information to be presented to BIP SMC

Meeting is arranged for BIP SMC to review the reason for removal and why the client feels it was incorrect and wants a second review

BIP SMC meet and review the RQC rationale and the client information

BIP SMC makes a decision and the secretary of the committee drafts a letter in response to the decision

Letter is signed by the Chair of BIP SMC, sent to the client, cc'd to the RQC and the BIPMO to add to the file or action any decision

What is the Renewal Process?

BIP Renewals are done every two years by ITI Regional staff to assist in keeping the BIP Registry up to date with current information of the businesses that are operating in their region.

A list of the current businesses can be printed from the BIP Registry or the BIPMO can populate a spreadsheet of businesses in their region upon request.

- Regional staff will review the file for the business and determine what information is expired and draft a letter to the business requesting the specific information.
- The items that need to be reviewed that expire are:



- A letter will be drafted indicating the expired documents required to be submitted with a deadline (30 days). Also included will be a copy of the BIP Application for the client to fill out so that we can ensure that the contact information is still correct and update any of the categories.
- If the business is approved for any goods categories, ensure that an updated goods inspection is done every four years or as the business requests additional categories.
- If no response, do a second follow up sending a reminder email/letter/phone call with a date that you need the required update information back (another 30 days).
- If no response again (now after 60 days from initial request), send a third and final letter by Registered Mail, (30 days from date of registered letter) they may be removed from the BIP Registry.
- If no response is received, after at least 90 days from first contact, prepare the removal letter for the BIP RQC to review outlining the contact dates, times and methods of contact for the business for them to make a decision.
- Send the decision from RQC to the business and cc to the BIPMO so that they will action and remove them as of the date on the letter from RQC within 48 hours of receiving.

Service Standards

Business Incentive Policy (BIP) Application Process Timeline

Regional Office – Day 1-7

- Once a completed application is received by the ITI Regional Office, the turnaround to respond to the client with a decision shall be no more than seven business days
- RQC Chair will send complete package along with summary sheet and good inspection report, if applicable to RQC members for review and signatures

Regional Office – Day 8-9

- Once approved by RQC, Regional staff will draft the letter to the client and get signed by the ITI Chair to be emailed to the client
- RQC Chair sends a copy of the approved application and approval letter to BIP Monitoring Office (BIPMO) outlining date of approval, effective date (calendar days from the approval date) and list the goods, services and construction categories

BIP Monitoring Office – Day 10-12

- Once the BIPMO receives the complete application package with signed letter, it will be processed within 48hrs
- **When completing the approval letters, it is imperative that the two-week waiting period is noted, as there are times, when a Supplier is NEW and needs to be set up in SAM, this causes some delays with getting the information on the registry. The same delay may also occur when changing contact information

If incomplete application
- client will be notified
within five days



Client will have 30 days
to provide outstanding
documents



After 30 days, the file will
be closed and the client
will have to reapply

BIP Renewal Service Standards

Day 1-30

- Draft a letter indicating the expired documents required to be submitted with a deadline (30 days)
- Also include a copy of the BIP Application for the client to fill out so that we can ensure that the contact information is still correct and update any of the categories

Day 30-60

- If no response, Regional staff will follow up sending a second reminder email/letter/phone call with a date that you need the required update information back (another 30 days)

Day 60-90

- If no response again (now after 60 days from initial request), Regional staff will send a third and final letter by Registered Mail, (30 days from date of registered letter) they may be removed from the BIP Registry

Day 90-100

- The Chair of the RQC will draft a decision item for the Committee to review the attempts made to get the business to update their registration and make a decision to remove them from the registry
- RQC Chair will send the decision from the Committee to the business and cc to the BIPMO so that they will action and remove them as of the date on the letter from RQC within 48 hours of receiving

Reporting

The department of Finance produces a procurement dashboard that is updated quarterly showing contracts that have been awarded for goods, services and construction. This shows the number of contract awarded each year, to which businesses and if they are BIP Registered.

<https://apex.oracle.com/pls/apex/r/contractsregistry/contracts-registry/home?tz=-6%3A00>

Contact

For more information or to apply, please visit <https://www.iti.gov.nt.ca/en/services/business-incentive-policy> or contact the Economic Development Officer in your Region.

Beaufort Delta Region

Don Craik*Regional Superintendent*

Email: Don_Craik@gov.nt.ca

Dehcho Region

Jennifer Thistle*Regional Superintendent*

Email: Jennifer_Thistle@gov.nt.ca

North Slave Region

Dalia Bakhoun*Manager Trade & Investment*

Dalia_Bakhoun@gov.nt.ca

Sahtú Region

Craig Walter*Manager Trade & Investment*

Email: Craig_Walter@gov.nt.ca

South Slave Region

Kathy Lepine*Manger Trade & Investment*

Email: Kathy_Lepine@gov.nt.ca

Headquarters/BIP SMC Contact

Kim Wilkins*Manager Business Incentive Policy***Erika Walton***BIP Officer*

Email: Bip@gov.nt.ca

Interpretive Bulletin 1 – Subcontract Agreements

https://www.iti.gov.nt.ca/sites/iti/files/bip_interpretive_bulletins_ib_1_subcontract_agreements_0.pdf

Issue:

It is important that the Business Incentive Policy applies to as broad a range of the components of a contract as possible, while at the same time ensuring that the BIP registration status of a company is not used as a device to obtain preference for content that is not directly sourced in the Northwest Territories. In the past some Southern subcontractors have listed NWT/Local Content for the purpose of obtaining the BIP tender adjustment. It has subsequently been determined that the NWT/Local Content was less than first indicated. In order for the GNWT to have better control over the extension of preference, the Bid Adjustment should only apply to agreements, including subcontracts, written with the general contractor.

Therefore:

In respect to Definitions “**NWT Content**,” as set out in sections 4 and 6(6) and “**Local Content**,” as set out in sections 4 and 6(7), the BIP Senior Management Committee interprets this to mean that the application of the tender adjustment will only apply to:

- a General Contractor’s Own Forces and
- a direct subcontract between the general contractor and an approved BIP Business.
- NWT Resident/Local Content labour

Interpretive Bulletin 2 – Registration and Maintenance of Registration as a BIP Business

https://www.iti.gov.nt.ca/sites/iti/files/bip_interpretive_bulletins_ib-2_registration_maintenance_of_a_bip_business.pdf

Scope of Interpretive Bulletin IB-2:

This Interpretive Bulletin applies to those businesses applying for registration as a BIP Business and to current BIP Businesses. It does not apply to those BIP Businesses identified in Schedule 3 of the BIP Policy.

Registration Requirements:

A corporation, co-operative association, partnership or sole proprietorship applying for registration as a BIP Business must meet the following requirements:

1. Operate from a bona fide place of business in the Northwest Territories (see below);
2. Hold a GNWT or municipal business license that is current;
3. In the case of
 - a. a corporation, it is 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,
 - b. a co-operative association, it is registered under the Co-operative Associations Act (NWT) with at least 51 percent of voting shares beneficially owned by NWT residents,
 - c. a partnership, the majority interest in the partnership is owned by NWT residents, corporations (as at a. above) or co-operative associations (as at b. above), or
 - d. a sole proprietorship, the sole proprietor is an NWT Resident who is ordinarily resident in the Northwest Territories and has been so resident for the last twelve months; and
4. In the case of an NWT Supplier, it is accessible to the public and has an inventory of product for sale

Meaning of operates from a bona fide place of business in the Northwest Territories:

A business must “[operate] from a bona fide place of business owned or leased from year to year (or for a longer term of years) in the Northwest Territories and [have] done so prior to the date of its application;” This means that a substantial part of the operations of the business relating to the Northwest Territories must be performed at a physical place of business (owned or leased) in the Northwest Territories, by employees of the business who are residents of the Northwest Territories. A small amount of administrative functions such as payroll could be provided by an affiliated business outside the Northwest Territories, but for a business to be eligible for registration as a BIP Business the operations of the business relating to the Northwest Territories must be primarily taking place in the Northwest Territories. This is consistent with the Statement of Policy at Section 1 of the BIP Policy, which is to provide an incentive to Northwest Territories-based businesses in recognition of the higher cost of operating businesses and manufacturing products in the Northwest Territories.

As an example, if a corporation located in a community in the Northwest Territories has an owner (who beneficially owns at least 51 percent of voting shares) and owns or leases a small office, but the employees of the corporation who actually complete tenders/RFPs, hire labour, perform administrative tasks and make business decisions are located in an office in a location outside the Northwest Territories, then this would not meet the test of operating from a bona fide place of business in the Northwest Territories.

Maintaining Registration as a BIP Business:

BIP Businesses are required to notify the BIP Monitoring Office of any changes to their operations or ownership that may affect their status as a BIP Business. The BIP Monitoring Office will from time to time request that BIP Businesses confirm their status as a BIP Business by completing a Renewal Application. The BIP Monitoring Office may also initiate (pursuant to a complaint or otherwise) an investigation as to whether a BIP Business should maintain its registration as a BIP Business.

Any decision to revoke the registration of a BIP Business will be made by the applicable Regional Qualification Committee and can be appealed to the BIP Senior Management Committee.

Interpretive Bulletin 3 – Administrative Procedures

https://www.iti.gov.nt.ca/sites/iti/files/bip_interpretive_bulletins_ib_3_administrative_procedures_0.pdf

Issue:

The Business Incentive Policy extends preference to subcontracts written between the general contractor and a subcontractor (see Interpretive Bulletin #1) and to General Contractors Own Forces. It is important that the NWT/Local Content preference extended at the time of tender evaluation is consistent with the extent of NWT and Local Content actually achieved over the life of the contract. Therefore it is necessary that the general contractor supply information to the GNWT that substantiates NWT and Local Content.

Therefore:

In respect to Provisions regarding sections 5(2) (b) (i) and 5 (2) (b) (iii), set out on Page 4 of 12 of The Business Incentive Policy, the Senior Management Committee interprets this as follows:

1. At the date of Substantial Completion the general contractor may be requested to:
 - substantiate all direct subcontracts by supplying copies of the subcontracts.
 - substantiate all labour:
 - included under “Own Forces” and employed on the project by the general contractor, and
 - included under a subcontract and employed on the project by the subcontractor.
 - by supplying the following information:
 - Name of Employee, – Date Terminated,
 - Employee’s Address, – Number of Hours Worked,
 - Date Hired, – Occupation/Classification of Worker
 - substantiate, by supplying copies of the agreements, all agreements entered into by the general contractor and included under “Own Forces”. Such agreements shall include:
 - service agreements (such as for accommodations, freight or equipment) provided by an approved “BIP business”, lease agreements with an approved BIP business
 - materials purchased from an approved NWT/Local Supplier, and
 - any other agreement covered by “Own Forces” and provided by an approved BIP business.

This information will be a condition precedent to Interim Completion.

2. In cases where the value of NWT and Local Content is not confirmed at the time of Substantial Completion, the company’s BIP status may be reviewed by the Senior Management Committee. Notwithstanding the foregoing, variations of up to 10% may be permitted without further review.

Interpretive Bulletin 4 – Application and Substantiation of BIP Bid Adjustments

https://www.iti.gov.nt.ca/sites/iti/files/bip_interpretive_bulletins_ib_4_application_and_substantiation_of_bip_bid_adjustments__0.pdf

This Interpretive Bulletin Number 4 is issued pursuant to the Business Incentive Policy 63.02 dated September 30, 2010.

Whereas:

There should be consistency in the application of BIP Bid Adjustments on GNWT contracts, including subcontracts.

Therefore:

The Senior Management Committee interprets the BIP and directs:

1. Tenders shall be evaluated as outlined in attached Appendix IB4-A & IB4-B Substantiation of BIP Bid Adjustments. All bidders must submit Appendix IB4-B to receive Bid Adjustments.
2. The following Bid Adjustments shall be applied:
 - a. Contracts of more than \$25,000 and less than \$1,000,000 A 15 per cent Bid Adjustment will be applied to the NWT Content. An additional 5 per cent Bid Adjustment will be applied to any Local Content.
 - b. Contracts equal to or more than \$1,000,000
 - i. For the first \$1,000,000:
 - A 15 per cent Bid Adjustment will be applied to the NWT Content; and
 - An additional 5 per cent Bid Adjustment will be applied to any Local Content.
 - ii. For that portion of the contract above \$1,000,000 up to the maximum allowable Bid Adjustment:
 - 1.5 per cent Bid Adjustment will be applied to the NWT Content; and
 - An additional 0.5 per cent Bid Adjustment will be applied to the Local Content.
3. The Bid Adjustment applied on any contract will be limited to a maximum of \$500,000.

Interpretive Bulletin 4A – Substantiation of BIP Adjustments

https://www.iti.gov.nt.ca/sites/iti/files/bip_interpretive_bulletins_ib_4_a_application_and_substantiation_of_bip_adjustments_appendix_a_0.pdf

Pursuant to the Business Incentive Policy of the Government of the Northwest Territories, bid preference is available to BIP Businesses, and for the NWT Content and Local Content components of the bid. In order to receive this bid adjustment, all Tenderers (except for goods) must provide the information as outlined in Appendix IB4-B, *Substantiation of BIP Bid Adjustments* with their Tender.

The amount listed on the Substantiation of BIP Bid Adjustments, Appendix IB4-B, is to be the total bid amount consisting of the General Contractor's "Own Forces" portion of the Bid plus the amount listed for each subcontractor, service provider and supplier of goods. Amendments to the Tender affecting the tendered price will require the Tenderer to also amend Appendix IB4-B to reflect the change, prior to tender closing. It should be noted that a Bid Adjustment on goods contracts will only be awarded for good(s) where the supplier of said good(s) is a BIP Business in that particular goods category.

CONSEQUENCES OF FAILURE TO PROVIDE NWT AND LOCAL CONTENT

The Contractor acknowledges that either or both of the following will constitute a breach of its undertaking, and may result in the Contractor being labelled as "not responsible" in respect of future GNWT projects:

- A failure by the Contractor, or by any of its subcontractors, to purchase all, or any portion of, those goods, services, and labour that they had agreed to purchase (in the Contractor's Tender based on Appendix IB4-B) from a particular BIP Business, or NWT or Local Supplier, and/or
- A failure to obtain the NWT Resident labour, or labour provided by residents of the Local Community, identified in Appendix IB4-B,

Alternatively, the BIP Monitoring Office is offering an interactive spreadsheet to help calculate the bidder's preference adjustments. To simplify the process there is an Excel spreadsheet that can be filled in, saved and submitted with the bidder's bid documentation.

<http://www.iti.gov.nt.ca/programs-services/business-incentive-policy>

Interpretive Bulletin 5 – Joint Ventures

https://www.iti.gov.nt.ca/sites/iti/files/bip_interpretive_bulletins_ib_5_joint_ventures_0.pdf

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.

Interpretive Bulletin 6 – Air Charters and Local Preference

https://www.iti.gov.nt.ca/sites/iti/files/bip_interpretive_bulletins_ib_6_air_charters_and_local_preference_0.pdf

Issue:

The Business Incentive Policy provides a NWT tender adjustment in order to maximize benefits for NWT Residents. The Business Incentive Policy provides an additional Local tender adjustment for firms undertaking GNWT contracts in their local community. However, Air Charter contracts are not undertaken in any one community. Air Charter contracts are undertaken between two or more communities.

Therefore:

In respect to Section 4 **Definitions, Local Content** and Section 6 **Provisions**

(7) **Local Content**; (8) **Application of Bid Adjustment** (b)(i), (c)(ii) b.

- The Local tender adjustment will not be applied to Air Charter contracts.

Interpretive Bulletin 7 – Application of BIP on an RFP

https://www.iti.gov.nt.ca/sites/iti/files/bip_interpretive_bulletin_ib7_-_application_of_bip_to_rfp.pdf

Whereas:

There should be consistency in the manner in which the BIP is interpreted and applied with regard to Requests for Proposals (RFPs).

Therefore:

The Senior Management Committee interprets the BIP and directs:

1. Requests for Proposals (RFPs) shall be evaluated as outlined in attached Appendix IB7- A
2. When issuing RFPs and evaluating proposals received, the following evaluation criteria, based on dollar value, shall be applied.
 - a. Allocate 15% of the total assigned weight to the provision of goods and services by BIP approved Northern Content; and
 - b. Allocate 5% of the total assigned weight to the provision of goods and services by BIP approved Local Content.
3. All Proponent(s) must submit the “Substantiation of BIP Bid Adjustments” form from BIP Interpretive Bulletin #4 (specifically Appendix IB4-B or the Modified Method IB4-C)
4. The Bid Adjustment applied on any proposal will be limited to a maximum of \$500,000

Interpretive Bulletin 8 – Application of Bid Adjustment to Design Build

https://www.iti.gov.nt.ca/sites/iti/files/bip_interpretive_bulletin_8_-_application_to_design_builds.pdf

Whereas:

There should be consistency in the manner in which the BIP is interpreted and applied with regard to Design Build Requests for Proposals (RFPs).

Therefore:

The Senior Management Committee interprets the BIP and directs:

When issuing Design Build RFPs and evaluating proposals, both Interpretive Bulletins Number 4 and Number 7 shall be utilized as follows:

- a. Proponents will be instructed to respond to the rating criteria established in the “Application of BIP to Requests for Proposals- Proposal Rating Schedule” (Appendix IB7- A from Interpretive Bulletin Number 7).
- b. Design/Consulting Services shall be adjusted as indicated in Interpretive Bulletin Number 7 on a points basis with points determined for each proponent on the Proposal Rating Schedule and will receive a weighting typically 60% to 70% of the overall score. Proponents must provide a breakdown of the Local and NWT Content for design/consulting services as directed by the contract authority as required in the RFP
- c. Proponents will be instructed to complete and submit the “Substantiation of BIP Bid Adjustments” (Appendix IB4-B from Interpretive Bulletin Number 4) for the total construction cost. The cost for design/consulting services should not be included on this form.
- d. The Bid Adjustment will be applied to the construction cost component of the proposals up to the maximum \$500,000 allowable under the policy and a point weighting (typically 30% to 40% of overall score) will be applied to the construction costs on a prorated basis.
- e. The weighted points score for the Bid-Adjusted construction cost and the proposal-rating schedule will be added together to obtain the total score for each proponent.

**ITI reserves the right to amend these guidelines at any point in time.*

Inspection Report – Supplier of Goods

BUSINESS NAME		
	(as it appears on the Legal Registration document)	
The business noted above has applied for supplier status for the following goods:	Verified that items are in stock	
	YES	NO
(Attach Appendix A – completed by the business)		
<p>DECLARATION: I, the undersigned, declare that:</p> <ul style="list-style-type: none"> • I have conducted this site inspection • The business is a legitimate retailer of the goods offered for sale as indicated above • There is a cash register, bank machine, photocopier/fax, telephone for conducting daily business • The general public has access to the business premises • There is a business sign posted • The regular hours of business posted are: 		
NAME (PRINT)		
NAME (SIGNATURE)		DATE OF INSPECTION

Guide to the Business
Incentive Policy (BIP)

<https://www.iti.gov.nt.ca>