



INTERPRETIVE BULLETIN IB-4

Application and Substantiation of BIP Bid Adjustments

This Interpretive Bulletin Number 4 is issued pursuant to the Business Incentive Policy 63.02

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 \$5,000 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. A 15 per cent Bid Adjustment will be applied to the NWT Content;
and
 - B. 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:



- A. A 1.5 per cent Bid Adjustment will be applied to the NWT Content;
and
 - B. 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.



APPENDIX IB4-A

Substantiation of BIP Adjustments

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 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>