

INTERPRETIVE BULLETIN NUMBER 1

Subcontract Agreements

This Interpretive Bulletin Number 1 is issued pursuant to the Business Incentive Policy 63.02 dated 30 September 2010.

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