

INTERPRETIVE BULLETIN NUMBER 4

Application and Substantiation of BIP Bid Adjustments

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 \$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.