



*A DISCUSSION PAPER FOR THE REVIEW OF*

# Public Procurement Policies

*For the* GOVERNMENT OF  
THE NORTHWEST TERRITORIES

*EXAMEN DES*

# Politiques et des procédures d'approvisionnement public

pour le Gouvernement  
des Territoires du Nord-Ouest



# Executive Summary

Changing economic and social factors over the past decade has prompted the Government of the Northwest Territories (GNWT) to review and update its procurement policies. To launch the process, it will engage an outside expert to coordinate what will be its main element: input from all stakeholders through wide-ranging and open public discussion. For everyone's information and benefit this paper sets forth the context and background for those discussions,

including review of all current procurement policies, their shortcomings, and suggestions for improvement. Importantly, one suggestion is to establish an Indigenous procurement policy. For convenience, each culminates in a set of key questions to be addressed by participants. After completion of all sessions, a independent panel will provide GNWT with an independent report to include advice and recommendations for change.

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## I. INTRODUCTION

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Procurement policies of the Government of the Northwest Territories (GNWT) have not been substantially updated since 2010. Social and economic factors over that time have changed markedly and experience gained over the decade has identified a need for review and overhaul of many individual policies and the creation of new ones.



### Consider the following questions:

1. For the purpose of providing preferential procurement, how would you define what constitutes a 'NWT business'?
2. What should be the objectives (or priorities) of GNWT preferential procurement policy? To level the playing field between NWT businesses and those in other jurisdictions with respect to the cost of doing business in the NWT? To ensure money remains in the NWT? To attract jobs and investment to the NWT? Or a blend of these?
3. Do you agree that the current preferential bid adjustment of 15 percent for NWT businesses and an additional 5 percent for local community businesses is appropriate? What alternatives are there?
4. What are your perspectives on the proposed establishment of an Indigenous procurement policy?

The GNWT has fully recognized that asking questions like these reveals the critical need for updates and is proposing a comprehensive and long overdue review of its procurement policies to address these factors.

To undertake the review the GNWT will engage an outside procurement expert, supported by an NWT facilitator and an Indigenous business representative, to provide an independent report and recommendations for change. Time is of the essence: although the GNWT mandate originally committed to complete the review in 2022, that deadline has now been moved up to the summer of 2021. That time frame includes the independent recommendations by the outside expert as well as the GNWT response and implementation plan.

Importantly, the proposed review is to be wide-ranging and all-inclusive. GNWT has never before opened up all of its various procurement policies under one single review. It will therefore require input from all stakeholders through open public discussion. For everyone's information and benefit this paper sets forth the context and background for those discussions.

In response to the priorities established by the 19th Legislative Assembly, the GNWT 2019-23 Mandate commits to:

*“Strengthen GNWT procurement policy and practices (by) work(ing) with NWT businesses to identify recommendations to strengthen GNWT procurement policies and practices, including the Business Incentive Policy (BIP), P3 projects, and the Northern Manufactured Products Policy (NMPP).”*

Existing GNWT procurement policies will be included in the review as policies designed to ensure suppliers of goods and services to the GNWT are paid on time, that they are readily made aware of new opportunities as they arise, and that NWT companies are offered improved participation in the Business Incentive Policy.

Economic and social benefits are critical considerations for the review. Members of the Legislative Assembly have strongly urged the GNWT to retain as many contracting dollars in the NWT as possible in order to support our business community. As well, Indigenous leaders have called upon the GNWT to implement an Indigenous procurement policy.

It is important that revised GNWT procurement policies achieve a balance between supporting Indigenous and NWT businesses and the generally accepted principles of public procurement: transparent, fair, and competitive public procurement that achieves taxpayers' value for dollar while supporting the growth of the NWT economy.

**This paper addresses the following in sections to ensure coverage and understanding of all aspects of GNWT procurement:**

- Principles of Public Procurement
- Governance of GNWT Procurement
- Free Trade Agreements
- Procurement Data
- GNWT Business Incentive Policy
- GNWT Northern Manufactured Products Policy
- GNWT Negotiated Contracts Policy
- Proposed Indigenous procurement policy
- GNWT Public-Private-Partnership (P3) Policy
- The Procurement Review Process
- Conclusion and Summary of Key Questions for Public Discussion

GNWT faces unique challenges in procurement unlike those of most Canadian jurisdictions and will become clear as the paper advances through the topics. Examples are preferential procurement policy through bid adjustments, which can be complex and difficult to administer. Therefore, defining what constitutes a 'NWT business' that qualifies for bid adjustments through the Business Incentive Policy (BIP), identifying opportunities to keep more dollars in NWT in a manner that complies with trade agreements, growing the economy and identifying opportunities to continue supporting Indigenous governments and businesses will be central themes throughout the review. Consideration must also be given to growing the economy and ensuring costs are managed to ensure future projects are affordable.



# Sommaire

Au cours de la dernière décennie, les changements socioéconomiques ont incité le gouvernement des Territoires du Nord-Ouest (GTNO) à examiner et mettre à jour ses politiques d'approvisionnement. Pour lancer le processus, le GTNO embauchera un expert-conseil indépendant pour coordonner l'élément principal de cette mise à jour : la collecte des observations des parties concernées au moyen d'une vaste campagne de discussions publiques. À titre d'information et pour l'intérêt public, le présent document établit le contexte

qui entoure ces discussions, dont un examen de toutes les politiques d'approvisionnement actuelles, leurs lacunes et les suggestions d'amélioration. Surtout, l'une des suggestions formulées consiste à établir une politique d'approvisionnement auprès des Autochtones. Par commodité, chaque discussion se termine par une séance de questions des participants. Une fois toutes les discussions publiques terminées, l'expert-conseil produira un rapport de recommandations indépendant et le remettra au GTNO.

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## I. INTRODUCTION

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Les politiques d'approvisionnement du gouvernement des Territoires du Nord-Ouest (GTNO) n'ont pas été mises à jour de manière considérable depuis 2010. Au cours de cette période, les facteurs sociaux et économiques ont beaucoup évolué, et l'expérience acquise en une décennie a fait ressortir la nécessité de réformer de nombreuses politiques particulières et d'en créer de nouvelles, comme une politique d'approvisionnement auprès des Autochtones. Pleinement conscient de ce fait, le GTNO propose d'effectuer un examen complet et longuement attendu de ses politiques d'approvisionnement pour tenir compte de ces facteurs.

Il est important de souligner que cet examen se doit d'être vaste et inclusif. C'est la première fois que le GTNO envisage de revoir l'ensemble de ses politiques d'approvisionnement en un seul examen. Par conséquent, il sera nécessaire d'obtenir la contribution de tous les intervenants dans le cadre d'une discussion publique ouverte. À titre d'information et

dans l'intérêt de tous, ce document présente le contexte et les conditions de ces discussions.

Pour commencer, en réponse aux priorités établies par la 19<sup>e</sup> Assemblée législative, le mandat du GTNO pour 2019-2023 comporte l'engagement suivant :

*« Travailler avec les entreprises ténaises pour écouter leurs recommandations visant à renforcer les politiques et les pratiques d'approvisionnement du GTNO, notamment la Politique d'encouragement aux entreprises (PEE), les projets en PPP (partenariat public-privé) et la Politique des TNO sur les produits manufacturés. »*

Toutes les politiques et procédures existantes du GTNO en matière d'approvisionnement feront partie de l'examen. Compte tenu des préoccupations exprimées ces dernières années, cet examen comprendra des exemples de politiques conçues pour permettre aux fournisseurs de biens et services au GTNO d'être payés à temps, pour les informer

rapidement des nouvelles possibilités qui se présentent, et pour offrir aux entreprises ténosées une participation accrue à la Politique d'encouragement aux entreprises (PEE; voir la section VI ci-dessous).

Les avantages économiques et sociaux sont des facteurs essentiels de l'examen. Les députés de l'Assemblée législative ont vivement exhorté le GTNO à conserver le plus grand nombre possible de contrats aux TNO afin de soutenir le milieu des affaires ténosées. De plus, les dirigeants autochtones ont lancé un appel au GTNO pour qu'il mette en œuvre une politique d'approvisionnement auprès des Autochtones.

Dans l'ensemble, il est important que les politiques d'approvisionnement réexaminées du GTNO établissent un équilibre entre le soutien aux entreprises autochtones et ténosées et les

principes généralement reconnus des marchés publics, c'est-à-dire des marchés publics transparents, équitables et concurrentiels qui font un usage optimal de l'argent des contribuables.

Pour entreprendre l'examen de ses politiques et procédures, le GTNO nommera un expert externe en approvisionnement, appuyé par un facilitateur ténosé, qui sera chargé de produire un rapport indépendant et des recommandations de changement. Le temps presse; même si le GTNO s'était d'abord engagé à terminer l'examen en 2022, l'échéance a été avancée à l'été 2021. Cet échéancier comprend la présentation de recommandations indépendantes par l'expert externe ainsi que la réponse et le plan de mise en œuvre du gouvernement.

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**Pour assurer un traitement complet et une bonne compréhension de tous les aspects de l'approvisionnement du GTNO, les points ci-dessous seront abordés successivement dans les sections du document :**

- Les principes des marchés publics
- La gouvernance de l'approvisionnement par le GTNO
- Les accords de libre-échange
- Les données sur l'approvisionnement
- La Politique d'encouragement aux entreprises du GTNO
- La Politique sur les produits manufacturés aux TNO
- La Politique sur les contrats de gré à gré du GTNO
- La politique proposée d'approvisionnement auprès des Autochtones
- La politique du GTNO concernant les partenariats public-privé (PPP)
- Le processus d'examen des approvisionnements
- Conclusion et résumé des questions clés à soumettre à la discussion publique

Comme nous allons le voir, le GTNO fait face à des défis uniques en matière d'approvisionnement, contrairement à la plupart des provinces et territoires canadiens. Par exemple, la politique d'approvisionnement préférentiel peut s'avérer complexe et difficile à administrer en raison du rajustement des soumissions. Par conséquent, la définition de ce qui constitue une « entreprise ténioise » admissible au rajustement des soumissions en vertu de la Politique d'encouragement aux entreprises (PEE), la désignation des occasions

de garder plus d'argent aux TNO d'une manière conforme aux accords commerciaux, et le repérage des possibilités de continuer à appuyer les gouvernements autochtones seront des thèmes centraux tout au long de l'examen. Il convient également de prendre en considération la croissance de l'économie et de faire en sorte de gérer les coûts de manière à ce que les projets ultérieurs restent abordables. Ces questions seront élucidées à mesure que les différents sujets seront abordés au cours du document.

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**Ce faisant, un certain nombre de points de discussion se font jour ainsi que plusieurs questions qui alimenteront la discussion avec le public et sa contribution une fois que les enjeux seront compris. Les participants seront bien outillés pour répondre aux questions clés suivantes :**

1. Afin de mettre en œuvre l'approvisionnement préférentiel, comment définiriez-vous une « entreprise ténioise »?
2. Quels devraient être les objectifs (ou les priorités) de la politique d'approvisionnement préférentiel du GTNO? Mettre les entreprises ténioises sur un même pied d'égalité que celles des autres provinces et territoires en ce qui concerne le coût des affaires aux TNO? Veiller à ce que l'argent reste aux TNO? Attirer des emplois et des investissements aux TNO? Ou un mélange de ces trois aspects?
3. Convenez-vous que le rajustement préférentiel des soumissions fixé actuellement à 15 % pour les entreprises ténioises et à 5 % pour les entreprises des collectivités locales est approprié? Existe-t-il des solutions de rechange?
4. Quel est votre avis sur la création suggérée d'une politique d'approvisionnement auprès des Autochtones?

Grâce à la contribution des intervenants sur des questions comme celles précitées, ainsi qu'à des analyses supplémentaires et à des conseils d'experts, le GTNO sera en position idéale pour moderniser entièrement son approche en matière d'approvisionnement public. Une série plus exhaustive de questions à soumettre aux fins de discussion est présentée dans la dernière section.



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## II. Principles of Public Procurement

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### KEY DISCUSSION ISSUE:

Principles of Public Procurement

What principles should underpin GNWT procurement policy?

Generally, public governments set their procurement policies with one overarching principle: Integrity and four guiding principles: transparency, competition, value for money and accountability.

- **Integrity:** procurement processes will be open, fair and honest.
- **Transparency:** public processes that ensure vendors have ready access to information on procurement opportunities, and in turn the public has access to information on the expenditure of public funds.
- **Competition:** the need to ensure that businesses have a fair opportunity to compete for public procurement opportunities with specific exceptions.
- **Value for Money:** the need to ensure that the majority of projects are publicly tendered, completed on time and public funds achieve value for money.
- **Accountability:** Government is accountable for the integrity of the contracting process.

Moreover the GNWT, through BIP, the NWT Manufactured Products Policy (NMPP), and the Negotiated Contracts Policy (policies are detailed in sections that follow) uses procurement to accomplish broader economic objectives. By favouring NWT businesses and those that commit to using local suppliers and hiring local residents, capacity is supported. The key here is striking the right balance between the cost of providing this preference with the need for fairness and achieving best value for money. With this, a fifth principle could be added to the above list:

- **Effectiveness:** the need to balance government, commercial, regulatory, and economic goals appropriate to the procurement need.

Achieving the balance between preferential procurement to support economic objectives and value for money is a policy decision that needs to be defined based upon input from NWT residents, communities, businesses, and Indigenous governments. Noting that final policy decisions will be constrained by other factors such as free trade agreements and obligations, discussed in sections that follow.

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### III. Governance of GNWT Procurement

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[https://www.fin.gov.nt.ca/sites/fin/files/resources/gnwt\\_procurement\\_guidelines.pdf](https://www.fin.gov.nt.ca/sites/fin/files/resources/gnwt_procurement_guidelines.pdf)

The current GNWT approach to preferential procurement is governed by three key policies discussed in individual sections below:

- GNWT Business Incentive Policy
- GNWT NWT Manufactured Products Policy
- GNWT Negotiated Contracts Policy



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For major public infrastructure projects (those over \$50 million) there is a fourth policy option: the Public-Private-Partnership (P3) –detailed and discussed in a separate section below. The P3 policy is designed primarily to share risk with the private sector and encourage innovation, but establishing local and Indigenous procurement targets are an important part of its role too.

Several GNWT tools play a part. Umbrella procurement guidance is provided by the Financial Administration Act and Government Contract Regulations. Guidance regarding how to apply legislation and policy is contained in the GNWT Financial Administration Manual.

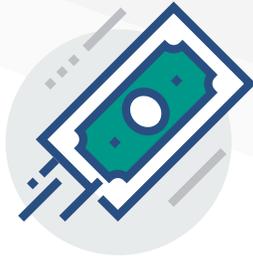
Here’s how it all works. Administration of the procurement function is ultimately accountable to political leadership and Members of the Legislative Assembly. To support this accountability, a BIP Senior Management Committee of Deputy Ministers considers appeals and policy issues related to the BIP as well as the NMPP. A Regional

Qualifications Committee reviews and approves BIP applications and recommends approval of NMPP applications. Finally, an inter-departmental Procurement Procedures Committee (PPC) chaired by the Department of Finance provides oversight and guidance in the administration, development, and maintenance of government-wide procurement procedures and ensures consistency throughout.

Procurement cuts across all government levels. The graphic below illustrates its extent. As was seen in the two preceding paragraphs procurement is governed by a complex set of policies and legislation, and it can be a challenge to ensure that the system is well understood by all GNWT employees involved in procurement, as well as the business community and the public. To help out, the GNWT holds numerous workshops on procurement policies and processes for both contractors and GNWT employees. However, part of this review is to seek ways to improve and streamline these informational efforts.

## GNWT Departments and Agencies

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### Department of Finance

*Financial Administration Act*

*Government Contract Regulations*

*Financial Administration Manual*

Procurement Guidelines, Vendor Complaint Process, Contract Reporting, processing of invoices, risk management

Public Private Partnerships

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### Procurement Shared Services

Adheres to all legislation, regulations, policy and guidelines in the procurement of goods, services and construction.

Procures goods over \$25k, services over \$10k for departments, NWTTC and NTHSSA

Administers procurement workshops and training for GNWT employees and vendors

Acts as a Fairness Advisor (excluding P3 projects)

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### GNWT Departments and Agencies

Develop scope of work and/or technical specifications

Evaluates scope of work/technical compliance on public procurements

Monitors vendors performance

Manages contracts

Approves payment on contracts

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### Department of Industry, Tourism and Investment

Business Incentive Policy

NWT Manufacturer Products Policy

Key Consideration: Free Trade Agreements

### Department of the Executive

Negotiated Contracts Policy

Land Claims Agreements

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## IV. Free Trade Agreements

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The requirements of free trade agreements must be included when setting procurement policy. As a party to trade agreements such as the Canadian Free Trade Agreement (CFTA) and the Comprehensive Economic and Trade Agreement (CETA) with the European Union, the GNWT has taken on obligations to be what's called a 'free trading territory' unless an exception has been taken. It means the GNWT must follow principles such as National Treatment and Non-discrimination, which commits the GNWT to treat non-NWT businesses equally as NWT businesses, unless an exception has been made.

And indeed the GNWT has negotiated some of these exceptions. Examples: the BIP is included as a specific exception; a general exception allows measures designed to favour Indigenous businesses and there is an exception where promotion of regional economic development is needed.

These exceptions provide some flexibility in updating the GNWT procurement policies; however it must be remembered that trade obligations are an important commitment when developing or changing any preferential procurement policies.

Examples of the flexibilities these exceptions would allow include creating a NWT Indigenous procurement policy either as part of BIP or as a standalone policy, or creating policies that offer preferential treatment to NWT companies for any procurement with a value under \$150,000 for goods and services or \$500,000 for construction projects. However, a change that may not comply with trade agreements would be a material increase to bid adjustments for NWT companies under the BIP.

**REQUIRED:**  
Consideration of preferential procurement options that would comply with free trade agreements

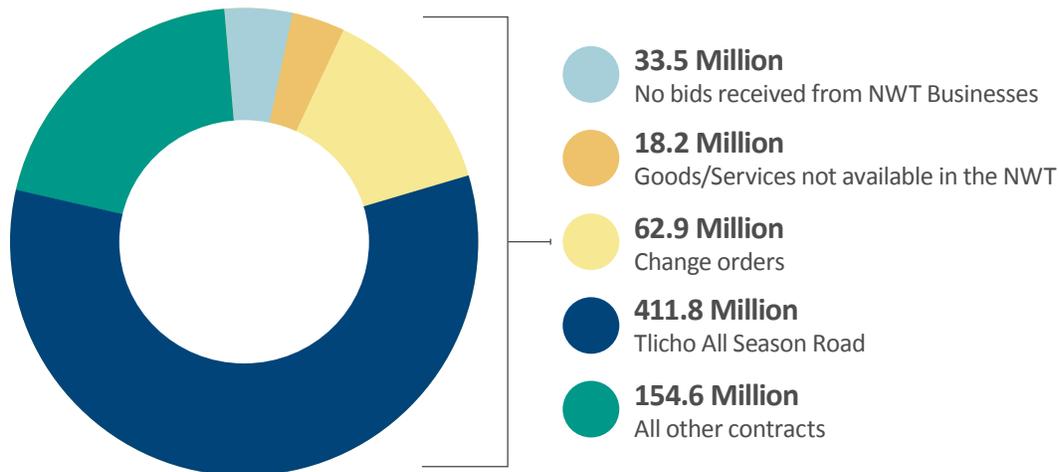
## V. GNWT Procurement Data

The GNWT will have a contractor review GNWT procurement data and provide some observations with respect to GNWT contract reporting, and recommendations for enhancing transparency.

The GNWT procurement system may have some areas for improvement including the transparency of GNWT procurement expenditures. Currently, the GNWT publishes an annual listing of contracts over \$10,000 through the publically available GNWT Contracts Report. It can be found at [here](#).

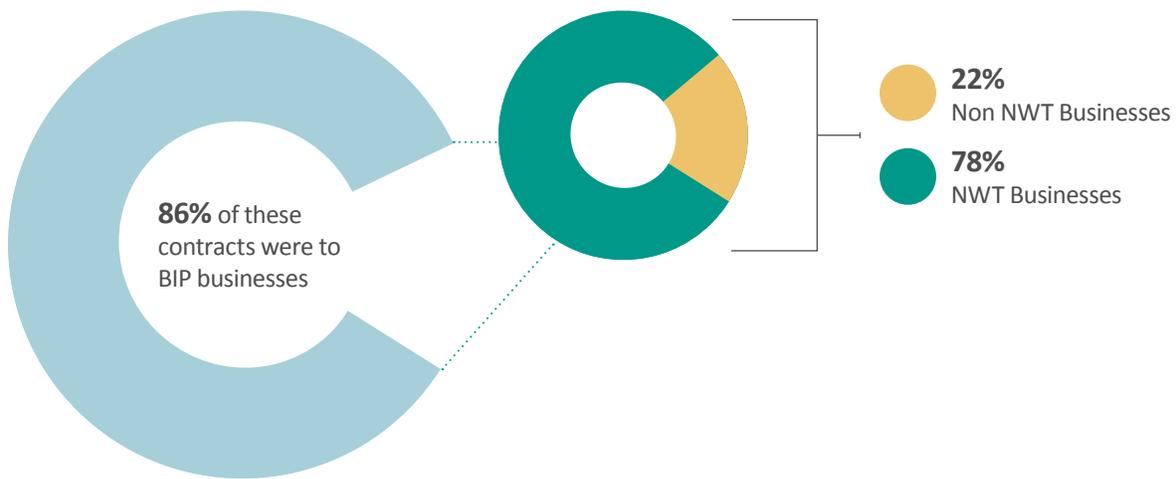
The spreadsheet is comprehensive and all-inclusive but is simply a lengthy listing which lacks summary information that would be helpful in providing the public with useful or meaningful analyses which the GNWT is committed to improve upon. For example, there have been numerous calls for the need for more GNWT contract dollars to stay in the Territory. As currently presented it doesn't easily answer the question: How many contract dollars are staying in the NWT? But analyzed in more depth, the answer is there. Consider the following data derived from the 2019-20 Contracts Report:

### 2019-20 FISCAL GNWT CONTRACTS REPORT: \$681 MILLION (M) TOTAL PROCUREMENT



When the items are removed for goods and services not available in the NWT; items where there were no bids received from NWT businesses, and the Tłıchų All Season Road, with the remaining is \$215.6 million in procurement. Reviewing those dollars, the GNWT determined the following summary of contracts that were awarded to NWT businesses:

## VALUE OF "OTHER CONTRACTS" PLUS "CHANGE ORDERS": \$215.6M 2019/20 FISCAL YEAR



This review supports that much of the business available in the NWT is sourced in the NWT, with about 78 percent (\$170.2 million) going to NWT businesses. Of this amount, 86 percent, or \$146.7 million, went to BIP-registered businesses. While this is an initial analysis, a conservative approach was taken:

- With respect to 'goods and services not available in the NWT', and 'items where there were no bids received from NWT businesses', only the largest contracts in these categories were removed.
- Standing Offer Agreements for building and equipment maintenance (\$4.5 million) were not included as these data were not appropriately captured in the published contracts report, but most if not all of these agreements reside with NWT businesses.

A comment regarding this analysis is that the \$411 million Tłıchǫ All Season Road was removed from the summary above yet this project represents substantial opportunity for

NWT businesses, however, it should be noted that this is a P3 project. The Tłıchǫ government owns 20 percent, and the GNWT and Tłıchǫ government collaborated on establishing business, labour and training participation percentages over both the construction and operational periods of the project. There are specific provisions within P3 projects for northern involvement, but there are other reasons for taking a P3 approach to major projects, including the mitigation of risk and the capacity of the GNWT to assume risk related to major infrastructure projects totalling hundreds of millions of dollars.

These are examples of what can be derived from simple raw contract data and how useful it is when meaningfully analyzed. Through the procurement review, the GNWT will be considering ways to improve GNWT contract reporting potentially including a more useful presentation package.

## VI. Business Incentive Policy



### KEY DISCUSSION ISSUE:

Qualifying for BIP

51 percent of the voting shares beneficially owned by a NWT resident

Must be a resident for at least one year

Owns or leases a *bona fide* place of business

<https://www.iti.gov.nt.ca/sites/iti/files/63-02-bip.pdf>

GNWT procurement policies include the Business Incentive Policy (BIP). BIP is designed as a two-fold incentive that recognizes the higher costs of doing business in the North and encourages NWT-based businesses to create employment and develop necessary experience and business skills. In brief, BIP offers a bid adjustment of 15 percent for NWT content, and 5 percent for local (community) content for contracts under \$1 million; for contracts over \$1 million it's 1.5 percent and 0.5 percent respectively on the portion over \$1 million. The total bid adjustment is limited to \$500,000.

In considering the need for a procurement review, the focus is overwhelmingly on the BIP with over 1,200 NWT businesses currently registered for BIP. In recent years a number of BIP-related issues have been raised by the business community, political leadership, and GNWT employees charged with applying and administering BIP.

Historically, BIP has seen many updates and adjustments. The most recent was in 2016 when the requirement for the GNWT to formally tender goods and apply the BIP adjustment was raised from \$5,000 to \$25,000. But the last comprehensive review was 2006-2010. Since then a number of issues have been raised, including:

- 1. Qualifying for BIP** – Determining which businesses should qualify for BIP status is one of the most complex and contentious issues to be addressed in this procurement review. Issues include:
  - **Beneficial Ownership and Bonafide Place of Business** – To qualify for BIP, a NWT company must have 51 percent of its voting shares beneficially owned by a NWT resident. While this sounds relatively straight forward, experience has proven it to be far from simple. Part of the problem is that the GNWT has limited staff with the technical, legal and financial expertise needed to analyze complex corporate share structures in order to determine BIP-qualifying ownership. Companies have submitted corporate structures claiming to show a 'voting' majority, but it is not always clear whether

or not the company is 'beneficially' owned by a NWT resident. Similar complications arise where the company is part of a franchise ownership of a national chain, or where a company's ownership includes silent investors.

Current practice is to follow the policy without a detailed attempt to determine whether the allocation of voting shares truly reflects beneficial ownership; where the NWT resident and owner is taking 51 percent of the risk and accruing 51 percent of the benefits.

Establishing whether there is a 'bona fide' place of business can prove complicated. An example is 'shell companies' that are NWT- incorporated where they lease nominal office space but do the real work and make strategic decisions outside the Territory. The GNWT does inspect businesses with its Regional Qualification Committees (RQC) who physically visit companies applying for BIP status.

With potentially lucrative preferential procurement and bid adjustments at stake, it should be expected that some companies will endeavour to meet the minimum requirements of the policy and structure themselves accordingly in order to become registered under BIP. It is proposed in this discussion paper that if GNWT employees are to continue making decisions regarding beneficial ownership and bona fide places of business, then guidelines should be reviewed and amended as required to provide better clarity on what qualifications must be in place to become a BIP-registered business.

- **BIP Schedule 3 Companies** – Prior to 2006, BIP eligibility policy allowed for NWT companies that were not owned by a NWT resident but had been in operation for ten years; had a manager that was a NWT resident; performed the majority of its management and administration functions in the NWT; and could demonstrate that they had a bona fide place of business in the NWT, to qualify. Rather than remove these businesses from the BIP registry, they were grandfathered and allowed to retain their eligibility. There are currently 60 non-resident companies listed in Schedule 3 of the BIP that were grandfathered with BIP eligibility. As this decision is at least ten years old, it is time to review its fairness. For example, other NWT businesses that have since passed the ten year mark and have made a substantial investment in the NWT and employ a number of local residents but are not an approved BIP company and do not have equal benefits under BIP that other businesses in the same category do.
- 2. **Bid Adjustments and Monitoring of Local and NWT Content** – One aspect of BIP bid adjustments that is not always clearly understood is that non-BIP companies can qualify for bid adjustments if they commit to using NWT resident labour and goods and services procured from a NWT BIP company. When combined with the maximum bid adjustment of \$500,000 for larger contracts such as construction, a southern company could then receive nearly the same bid adjustment as a BIP company. This raises two concerns.
- 3. **Lack of enforcement and penalties** – Contract Authorities/Administrators lack the ability under the BIP or the Contract to enforce and/or penalize businesses for not meeting the terms of BIP content.

First, firms can make substantial commitments for NWT and local content and then not follow through as promised. This needs monitoring and enforcement and possibly penalties. Where procurement is for goods only, monitoring NWT and local content is relatively easy. But where construction contracts involve combinations of services, labour, and goods, monitoring and enforcement becomes complex. GNWT Project Officers are responsible for ensuring that the provisions of a construction contract are adhered to but in the absence of an audit-like process, monitoring for NWT and local content can prove challenging. Some assurance is provided by GNWT's requirement for companies to sign statutory declarations certifying NWT and community content and its current consideration of strengthening reporting commitments. Many believe more is called for. But to take it steps further towards an audit process the GNWT would need to ensure it has the requisite resources.

The second concern is whether or not the 2010 lowering of the bid adjustments to 1.5 percent (NWT) and 0.5 percent (local) for contract portions over \$1 million appropriately reflects the higher cost of doing business in the NWT or provides enough preference for NWT businesses. Because in order to reach the maximum bid adjustment of \$500,000, it would require a contract value of \$16 million with 100% NWT and local content. For contracts above \$16 million, BIP firms would be on equal footing with non-BIP firms.

To provide some background, the following may help. Prior to 2010, the bid adjustment was 15% (NWT) and 5% (local) on all contracts but it was deemed too expensive. For illustration see the examples below:

## Business Incentive Policy Bid Adjustments

BIP CALCULATIONS, CURRENT METHOD: \$10 MILLION CONTRACT	
15% NWT content - Bid Adjustment on first million	\$ 150,000
5.0% Local content - Bid Adjustment on first million	\$ 50,000
1.5% NWT content - Bid adjustment on value over million	\$ 135,000
0.5% Local content - Bid adjustment on value over million	\$ 45,000
<b>TOTAL BID ADJUSTMENT</b>	<b>\$ 380,000</b>

Prior to 2010, with 15 percent (NWT) and 5 percent (local) applied to the entire value of the contract, the bid adjustment – and therefore the preference – would have amounted to \$2 million for a \$10 million contract.

BIP CALCULATIONS, CURRENT METHOD: \$30 MILLION CONTRACT	
15% NWT content - Bid Adjustment on first million	\$ 150,000
5.0% Local content - Bid Adjustment on first million	\$ 50,000
1.5% NWT content - Bid adjustment on value over million	\$ 435,000
0.5% Local content - Bid adjustment on value over million	\$ 145,000
<b>TOTAL BID ADJUSTMENT</b>	<b>\$ 780,000</b>

Prior to 2010, the bid adjustment for a \$30 million contract would have totalled \$6 million.

This now raises two further discussion points related to bid adjustments:

- If one intent of the BIP was to ‘level the playing field’ with southern competition and recognize the higher costs of doing business in the North, at what point – or level of bid adjustment – puts northern businesses on an equal footing in terms of costs, with southern competition?
- Value for taxpayer dollars also needs consideration. For example, with a \$30 million contract, the GNWT could conceivably be paying an additional \$6 million, assuming a southern firm has not included any NWT and local content within their bid. This is unlikely, but there is certainly the potential for the difference in cost to reach millions of dollars.

Clearly a balance between achieving value for dollar and support for the NWT economy is needed. For example, if the ‘premium’ discussed above stays within the NWT, and is subsequently reinvested in the NWT economy, that may outweigh the short term cost of the premium. On the other hand, perhaps the result is that this premium for example largely benefits the owner of the construction company. Like many aspects of preferential procurement by way of bid adjustments, the analysis and auditing needed to establish this balance is a challenge.

Finally, it is important to note that any proposal to materially increase the preference to NWT companies must be created within GNWT legal obligations such as those discussed above on free trade agreement commitments.

- 4. Formal Tendering Process** – since the GNWT raised the formal tendering limit for goods from \$5,000 to \$25,000 in 2016, concerns have been raised that GNWT employees are simply ordering off the internet and bypassing local businesses for procurements under \$25,000.

Under present GNWT procurement guidelines, all procurement under \$25,000 should be sourced locally wherever possible. GNWT employees should source in the following order: first to a local BIP company, then to a NWT BIP company, then a local non-BIP company, then a NWT non-BIP company, and finally to a southern company with informal quotes obtained where possible.

## Summary: Business Incentive Policy

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### Discussions in this section prompt a number of recommendation points:

- Qualifying criteria regarding the establishment of beneficial ownership and bona fide places of business should be made very clear; supporting fairness of application as well as transparency.
- The inclusion of non-resident owned businesses currently grandfathered under Schedule 3 in the BIP should be reconsidered. Options include complete elimination of Schedule 3 companies, or the expansion of Schedule 3 to capture similar non-resident owned companies that have made similar substantial investments in the NWT and support the NWT economy through their capital and operating expenditures.
- Contractor performance must be more closely monitored to ensure they follow through with their NWT and local procurement commitments. Alternative approaches to bid adjustments identified through this procurement review process need to be examined.

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### These points lead to the following questions for discussion:

1. For the purpose of providing preferential procurement, how would you define what constitutes a 'NWT business'? The current approach, with 51 percent of voting shares? Or a business that is clearly 100 percent owned by a NWT resident? Or all businesses that have made a substantial investment in the NWT and employ NWT residents? Or a hybrid model of these approaches?

business? If so, how much more? Do you agree with the current approach to bid adjustments? If not can you suggest other options that would help support the NWT economy while providing cost effective services?
2. Should the BIP Schedule 3 (non-resident grandfathered companies) be eliminated? Or should it be expanded to recognize similar investments by other non-resident companies? One idea is to recognize the investment of non-resident companies by the amount of capital and operating costs they've incurred in the NWT. Can you suggest other ideas?

In the context of these questions, consider the purpose of BIP. As stated in the first sentence of the policy, the BIP is intended to provide

*"... an incentive to Northwest Territories-based businesses in a manner that recognizes the higher cost of operating businesses and manufacturing products in the Northwest Territories, encourages Northwest Territories-based businesses to create employment and develop necessary experience and business skills, and complies with any intergovernmental agreements to which the Government of the Northwest Territories must adhere."*
3. Should the GNWT pay more for goods and services if they are provided by a NWT

This statement reflects two objectives of BIP:

- An incentive to recognize the higher costs of doing business in the North; and
- An incentive to encourage NWT-based businesses to create employment and develop necessary experience and business skills.

Do these two objectives still hold true? For example, with respect to encouraging NWT businesses to develop necessary experience and business skills, is this still an appropriate objective? Or are there other mechanisms that might be better suited to meet this objective, such as an Indigenous procurement policy?

When considering the objectives and priorities of preferential procurement, potential unintended consequences also need to be considered.

For example, with preference to NWT resident-owned businesses only, would some businesses currently registered under BIP be driven to relocate to the south? And does our current system of preferential procurement actually discourage investment and some employment opportunities in the NWT? It has happened: the GNWT recently received an enquiry from a window and door manufacturing company from outside the territory who were considering a plant in the NWT. It had the potential to displace southern imports and bring jobs to the Territory. But they opted to shelve the idea because they wouldn't be BIP-registered for at least the first year of operation and therefore not confident they could compete with BIP-registered companies importing southern product.

The procurement review process should also consider potential impacts on the cost of living to NWT residents and growing the economy.

Premiums can increase the cost of living for some products and services. For example, when residents receive assistance from the NWT Housing Corporation, the amount spent by the corporation could become a liability for the resident. If the market price of a housing unit is \$400,000, but the BIP adjusted price is \$480,000, the purchaser could then be stuck with an extra debt load of \$80,000, albeit many programs are forgivable. This extra \$80,000 could be used to assist other NWT residents with addressing their housing needs.

Finally, while options are discussed above, they aren't the only options. For example, the GNWT budget speech in 2008 suggested that BIP be removed entirely as it had outlived its purpose. This clearly didn't happen, but in addition to an Indigenous procurement policy, there are other mechanisms to examine. One might be a variation on the Yukon procurement model: there are no bid adjustments and contractors can apply for a rebate based upon their demonstrated procurement from Yukon businesses and use of local resources.

#### KEY DISCUSSION ISSUE:

What are your thoughts with respect to the key purpose of BIP?

To offset the higher cost of doing business in the NWT?

To provide preference for NWT resident-owned businesses?

To encourage new investment in the NWT and bring jobs to the territory?

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## VII. NWT Manufactured Products Policy (NMPP)

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Manufacturing in the North is often challenging, in part because of high input costs, small sales volumes, and a lack of economies of scale in production and distribution. This means NWT manufacturers must be innovative, flexible, and efficient if they are to compete with goods imported from outside the Territory. These were the stated challenges behind the GNWT's May 2019 release of the *NWT Manufacturing Strategy*, which can be found [here](#).

It provides a framework for how the GNWT can create an environment that effectively supports the manufacturing sector in diversifying the economy.

The current NMPP provides incentives to support local production and manufacture of goods for the use of the GNWT under the Business Incentive Policy. BIP-registered businesses may apply to have their NWT-made goods registered as an Approved NWT Manufactured Product. To qualify, a product must have at least 25% of its value added in the NWT and be priced within 20% of a similar product freight on board (FOB) its manufacturing site or within 25% FOB the destination for its final delivery.

The 2019 Strategy also included a commitment to address policy issues in a public discussion. Proposals outlined in this section support and prepare for that discussion.

Industry and community engagement sessions held during development of the Strategy identified some important concerns:

- Burdensome administrative and compliance requirements;
- Concerns that competition and innovation are discouraged by the NMPP;
- The need for enhanced support to access government programs; and
- The need for appeal and review provisions with respect to the NMPP's application.

The Strategy committed the GNWT to make changes to the NMPP to address these concerns, including the establishment of an appeal process and revisions to streamline some of the other policy processes. For example, there was a commitment to remove the requirement for NWT manufacturers to keep sufficient raw materials on hand, and instead simply have them demonstrate that they maintain the ability to readily manufacture their product.

One issue not resolved in the Strategy is the need to ensure transparency in the price the GNWT pays for manufactured products. The current process calls for maintaining catalogues with detailed specifications, inventories, and pricing.

Pricing is important as products are sole-sourced under the NMPP where only one NWT manufacturer is listed for that product. The current process is for the manufacturer to obtain a price quote from a southern supplier and then add the 20 or 25 percent price adjustment. The process is not always straight forward as the market for products constantly changes and spending time watching current pricing is neither efficient nor effective.

Ideally, products should be sourced through a market-based solution with allowances to reflect the higher cost of doing business in the NWT. This would provide the GNWT with

greater confidence that purchased products represent value for money without time-consuming additional research and processes. While the GNWT is committed to supporting 'Made in the NWT' products, NWT manufacturers still need to be creative and innovative in order to compete with products imported from other markets. A relatively simple bid adjustment mechanism that encourages innovation and recognizes the higher cost of doing business in the North appears at first glance to be the most effective and transparent approach.

To achieve this, the GNWT is considering an additional bid adjustment – perhaps 5 to 10 percent - for products from approved manufacturers qualifying under the NMPP. This bid adjustment would be in addition to the 15 to 20 percent bid adjustment that manufacturers already receive under the BIP.

In discussions with NWT manufacturers, some concerns with the 'bid adjustment' concept arose. It may prove more acceptable with a 5 to 10 percent 'NWT manufacturing' adjustment added to BIP. Manufacturers could then receive a 25 to 30 percent adjustment which is equal to or greater than the 25 percent provided in the current NMPP needed to qualify as a Northern Manufacturer.

The GNWT believes this concept has value because it would reduce red tape and allow more time to be spent identifying opportunities for the manufacturing sector. Linking the procurement of manufactured products to the market (i.e. open tenders) would also add an important element of transparency and would be self-regulating. Northern manufacturers would see the market for those products and be able to implement options to make themselves more competitive on future tenders. Moreover it would eliminate the challenges faced by GNWT staff to maintain detailed pricing catalogues showing current market pricing, especially for complicated products such as modular homes.



**KEY DISCUSSION ISSUE:**

What mechanisms could be used to encourage NWT manufacturing?

Would you agree with a bid adjustment premium, in addition to BIP, to support NWT manufacturing while ensuring there is an appropriate level of transparency?

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## VIII. GNWT Negotiated Contracts Policy

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The Negotiated Contracts Policy allows GNWT to directly negotiate and award contracts in cases where benefits outweigh what would be achieved through competitive contracting, or in order to comply with the Canadian Free Trade Agreement.

Details can be viewed [here](#).

Under the policy, the negotiation and awarding of contracts must be authorized by the GNWT Executive Council (Cabinet).

Negotiated contracts in years past have generally been used for supporting Indigenous

businesses in developing their business experience and capacity; but are not limited to that practice.

To ensure transparency in these instances, the GNWT's Department of Executive and Intergovernmental Affairs publishes an annual list of contracts negotiated under the policy. Please see appendix for list of negotiated contracts from 2018-19.

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These contracts were all aimed at capacity building and supporting Indigenous corporations although the capacity building outcome of the Policy has limits. Examples below of the following Policy provisions:

*The above provisions notwithstanding, effective September 2009, the Executive Council may determine that any contractor:*

*(i) who has been awarded five or more negotiated contracts for substantively the same type of services; or*

*(ii) with whom the GNWT has contracted, either through a negotiated or public process, for substantively the same type of service, through one or more contracts for a cumulative total of five or more years;*

*should reasonably be expected to be in a position to compete and should no longer be considered an eligible contractor for the purposes of this Policy.*

Viewing the negotiated contracts listing above, it is evident the Negotiated Contracts Policy is not frequently used. For 2019-20, \$3.8 million in contracts were awarded through the negotiated

contracts process compared to \$679 million in total procurement (or \$268 million excluding the Tłıchǰ P3 project).

In summary, the Negotiated Contracts Policy is a broad tool that includes a statement of principles and guiding provisions but does not limit the prerogative of the Executive Council to make decisions or take any action it deems necessary.

Through the procurement review process, outside expert advice, and in consultation with Indigenous governments, the GNWT will need to consider the best tools available to fulfill this commitment going forward. As previously mentioned, the development of an Indigenous procurement policy is clearly one opportunity. This would not preclude individual agreements being signed with other NWT Indigenous governments, but examining the potential to establish an Indigenous procurement policy may provide an opportunity to be creative in supporting the success of NWT indigenous governments and businesses.

Other alternatives for discussion are welcomed.

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## IX. Proposed Indigenous procurement policy

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Given the current economic climate, it is timely to consider how an Indigenous procurement policy could work and benefit NWT Indigenous businesses.

An Indigenous procurement policy is one tool that could benefit the broader economy through business and employment opportunities generated as local Indigenous businesses continue to grow into a substantial segment of the economy. Articles published in the October 2020 issue of *Aboriginal Business Quarterly*, a NWT publication (<https://inukshukpublishing.ca/>), highlight several benefits to be gained from efforts to grow Indigenous businesses. For example, one article notes that as a result of NWT diamond mines' efforts in supporting Indigenous businesses, the combined local workforces of Det'ón Cho Management LP and the Tłıchǫ Investment Corporation represent the largest source of local employment in the NWT.

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Several models of Indigenous procurement policy exist in other jurisdictions, elements of which can be analyzed to determine their workability for the NWT. Some examples:

- The Government of Canada has developed policies aimed at supporting indigenous businesses, including:
  - An Indigenous Procurement Set Aside – where a percentage of work on specific projects is targeted for local Indigenous businesses.
  - Procurement Strategy for Aboriginal Businesses – aimed at supporting Indigenous businesses that are at least 51 percent owned and controlled by Indigenous people.
  - Aboriginal Opportunities Consideration – a program where successful bidders for certain contracts must contain provisions

aimed at including local Indigenous people in the work proposed.

The federal spend on Indigenous procurement is currently only about 1 percent of total procurement. That percentage falls far short of the stated 5% federal goal as contained in the 2019 mandate letter to the federal Minister of Public Services and Procurement (see [here](#)) which states a requirement to:

*Work with the Minister of Indigenous Services and the President of the Treasury Board to create more opportunities for Indigenous businesses to succeed and grow by creating a new target to have at least 5 per cent of federal contracts awarded to businesses managed and led by Indigenous Peoples.*

The 5 percent target is based on the approximate percentage of Indigenous Peoples in Canada's population.

- Several programs in Alaska have contributed to the resounding success of that state's local Indigenous businesses. Programs include stated goals to award at least 5 percent of all federal contracting dollars to small disadvantaged businesses each year, and a program that offers a 5 percent subcontracting bonus to

contractors who subcontract with firms which have at least 51 percent Native American ownership.

- Nunavut has established guidelines providing Inuit firms with preferential treatment in public procurement and for Nunavut businesses and contractors employing Inuit labour. And the Yukon Government has developed a First Nations Procurement Policy.

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Some have noted that an Indigenous procurement policy would also support the spirit and intent of the economic measures contained in existing NWT land claim agreements. While that may be the case, depending upon interpretation of the economic measures chapters, it should be noted that within the treaty context, the only obligation to negotiate and award contracts with beneficiary-owned companies is where the GNWT intends to carry out activities on Gwich'in, Sahtu or Tłı̨chǫ settlement lands without going to public tender. The potential establishment of an Indigenous procurement policy should be viewed as a decision of the GNWT made in the context of the economy and because it's the right thing to; not because of an obligation under current land, resources and self-government agreements.

In summary, support for Indigenous businesses can be accomplished through a variety of mechanisms by considering the effectiveness of models already in place in other jurisdictions and how they may apply in the NWT. Making a policy commitment specifically to Indigenous procurement would represent a substantial change from the current GNWT ad hoc approach to Indigenous procurement currently in place. The GNWT is committed to discussing the challenges and opportunities with Indigenous Governments as a "made in the NWT" approach is developed.

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## X. GNWT Public-Private-Partnership (P3) Policy

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The present GNWT P3 policy allows for a partnership agreement with the private sector to develop public infrastructure and provide services as an alternative to traditional forms of procurement, where:

1. Capital, operating and service costs exceed \$50 million over the life of the agreement;
2. An appropriate transfer of risk exists between the GNWT and the private sector;
3. The agreement includes an operating period; and
4. The business case shows a clear net benefit over a traditional GNWT procurement approach, including life cycle costs.

The principles applied to P3 projects include transparency, accountability, and value for money. Additional principles for P3s are the transfer of risk and encouraging innovation. These become clear by considering facts of the following P3 projects:

### MACKENZIE VALLEY FIBRE LINK

- The first telecommunications P3 in North America
- 25 year agreement, with a value of \$245 million
- Financial Close in October 2014 with an estimated value-for-money benefit of 14% over a traditional procurement approach

### STANTON TERRITORIAL HOSPITAL

- A new building that allowed repurposing the old hospital; 100 inpatient beds in single patient rooms; larger and better equipped emergency department, more space for care and services, including specialist clinics; improved technology

- 34 year agreement with a total value of \$751 million
- Financial Close in July 2015 with an estimated benefit of 25% over a traditional procurement approach

### TŁJCHQ ALL SEASON ROAD

- First North American P3 with direct Indigenous equity ownership - 20% by the Tłjchq Government
- Minimum thresholds for Local/Northern content during construction and operating periods
- 28 year agreement, with a value of \$412 million
- Financial Close in February 2019 with an estimated benefit of 16% over a traditional procurement approach

A critical factor with NWT P3s is that the risk associated with projects with values in the hundreds of millions of dollars be adequately and closely managed, as the GNWT is a relatively small government with limited financial capacity. A single significant misstep can have a massive impact on GNWT's capacity to provide services, especially considering development of \$350 million hospitals for example. The GNWT requires specific contract and technical expertise to project manage large, complex P3 initiatives.

Including an operating period in P3 agreements also provides the private sector with an opportunity to bring innovative approaches to these projects – innovations that can allow the GNWT to transfer risk as well as realize savings over the long term.

A primary criticism of the P3 approach to procurement has been that these substantial contracts often result in relatively little benefit to NWT in terms of local business opportunities, employment, and training. The GNWT continues to ensure considerable efforts are made to include local benefits within contract provisions, working in collaboration with Indigenous governments during all phases of P3 projects. The most recent example is the Tłıchǫ All Season Road project where the GNWT and Tłıchǫ government collaborated on business, labour and training participation percentages over both the construction and operational periods of the project. The Tłıchǫ All Season Road is now distinguished as the first North American P3 project with direct Indigenous ownership, as the Tłıchǫ Government exercised their option to become a 20 percent equity partner within the project's North Star Infrastructure consortium.

Through this procurement review process, the GNWT will continue to consider additional opportunities to enhance local benefits in potential P3 projects where risk can be appropriately managed. This leads to an important question for discussion: Should P3 projects continue to be considered to limit GNWT risk and encourage innovation on major infrastructure projects as long as there is a commitment to maximize the participation of NWT and Indigenous businesses as much as possible?

#### **KEY DISCUSSION QUESTION:**

Should P3 projects continue to be considered to limit GNWT risk and encourage innovation on major infrastructure projects (over \$50 million) as long as there is a commitment to maximize the participation of NWT and Indigenous businesses as much as possible?

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## **XI. The Procurement Review Process**

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The original target date of 2022 for completion of the review has been moved up to summer 2021. Considering the number of policies that require review and their respective complexities, especially those of preferential public procurement, this is an ambitious timeline which will require dedicated resources.

To help facilitate the deliverable in the summer of 2021, the GNWT will hire an outside procurement expert who will be supported by a NWT-based facilitator and an Indigenous business representative. As the procurement review team the three will be tasked with providing the GNWT with an independent report and recommendations on GNWT procurement that encompasses all of the discussion points and

questions raised in this discussion paper by the deadline. As well, as the process moves through its defined stages a number of other issues will undoubtedly be raised through the discussion paper and engagement processes which will be included.

The substantial scope of the task requires that the team be supported by GNWT personnel and resources to assist with research, publication of materials, and key stakeholder and public engagement logistics; this administrative support will not impact the independence of the review.

The GNWT anticipates receiving the independent report in the spring of 2021 ready for public release and then the GNWT will then develop a response to the report together with recommendations and an implementation plan, which is targeted to be released in the summer of 2021.

Additional detail on the process and updates on the engagement sessions will be available on the GNWT's Industry, Tourism and Investment website on an ongoing basis.

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## XII. Conclusion and Summary of Key Questions For Public Discussion

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There are a large number of procurement policy issues for discussion and there will undoubtedly be many more raised through the engagement process.

For example, one expected to arise is how the relationship between GNWT procurement and contracting personnel and NWT and Indigenous businesses can be strengthened. The GNWT currently holds regular procurement workshops, the Department of Infrastructure holds a biennial

Project Management Conference, and through the Manufacturing Strategy released in 2019, the GNWT has committed to hold reverse trade shows aimed at informing local businesses of capital plans and upcoming contracting opportunities. These initiatives have largely been successful but it has sometimes been said that they don't go far enough; that more is needed. As reflected in the direction to be given to the independent expert team, this review will identify ways to improve upon existing efforts.

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Following is a summary of ten key questions generated to date, to be addressed by seeking input from residents, businesses and Indigenous governments and development corporations:

1. What principles should underpin a GNWT procurement policy?
2. How can the transparency of GNWT procurement and contracting data be improved?
3. For the purpose of providing preferential procurement, how would you define what constitutes a 'NWT business'? The current approach, with 51 percent of voting shares? All businesses that have made a substantial investment in the NWT and employ NWT residents? Or a hybrid within this range?



4. Should the BIP Schedule 3 (non-resident grandfathered companies) be eliminated? Or should it be expanded to recognize the investment made by other non-resident companies? One method to recognize the investment of non-resident companies could be the amount of capital and operating costs incurred in the NWT. Would you support this, or suggest other methods?
5. Should the GNWT should pay more for goods and services if they are provided by a NWT business? If so, how much more? Do you agree with the current approach to bid adjustments or what other options should be considered?
6. What are your thoughts with respect to the key purpose of BIP and preferential procurement? To offset the higher cost of doing business in the NWT? To provide preference for NWT resident-owned businesses? To encourage investment in the NWT and bring jobs to the territory, and assist in reducing the cost of living? Or a blend of these?
7. What preferential procurement mechanisms could be used to encourage NWT manufacturing? What are your thoughts on a bid adjustment premium, in addition to BIP, to support NWT manufacturing while ensuring there is an appropriate level of transparency?
8. What ideas or input do you have with respect to the establishment of a GNWT Indigenous procurement policy?
9. Should P3 projects continue to be used in order to limit GNWT risk and encourage innovation on major infrastructure projects (over \$50 million) as long as there is a commitment to maximize the participation of NWT and Indigenous businesses?
10. In addition to the efforts discussed in this paper, what other ways could the GNWT strengthen the relationship between GNWT procurement and contracting personnel and NWT and Indigenous businesses?

There is much at stake for this review. Importantly, it is to be broad, wide-ranging, and inclusive. It must encompass every aspect of every current GNWT procurement policy in light of input from all stakeholders through exhaustive open public discussion. Its recommendations are expected to help shape GNWT procurement policies and boost the NWT economy for decades to come. For everyone's information and benefit this paper sets forth the context for those discussions.

# Appendix

GOODS/SERVICES NOT AVAILABLE IN THE NWT				
CONTRACT #	DESCRIPTION	CONTRACTOR/ VENDOR	CATEGORY	ORIGINAL CONTRACT AMOUNT
0503	Oracle/PeopleSoft Module License	Oracle Canada ULC	Computer Software/ Drafting	\$ 185,897
4269	Decision Making Software License	UpToDate, Inc.	Computer Software/ Drafting	\$ 186,000
2374	Siemens Direct Digital Controls - HVAC - Maintenance	Siemens Canada Limited	Building Maintenance	\$ 224,839
0469	Technical support services for PeopleSoft	IBM Canada Ltd.	Computer Software/ Drafting	\$ 291,840
0601	Software License Renewal	Planet Labs Geomatics Corp.	Computer Software/ Drafting	\$ 365,000
0436	Professional advice, training services, research, membership	Institute for Citi- zen-Centered Services	Multiple Categories	\$ 400,000
2854	Maintenance Services- Honeywell Controls	Honeywell Ltd.	Building Maintenance	\$ 412,931
0468	Database and PeopleSoft support	Oracle Canada ULC	Computer Software/ Drafting	\$ 431,381
0566	PeopleSoft Enterprise Learning Management Implementation	ISM Information Systems Management (IBM)	Computer Software/ Drafting	\$ 458,000
2410	HPE Enterprise Server Support	Hewlett Packard En- terprise Canada Co	Computer Equipment/ Supply	\$ 486,716
0561	Software Maintenance for Driver and Motor Enterprises Solutions	Winding River Solu- tions Inc.	Computer Software/ Drafting	\$ 660,000
4521	Expertise to assist with the interRAI (Clinical Information System)	Gevity Consulting Inc.	Consulting Services – General	\$ 672,720
0461	GeoCortex Software renewal	ESRI Canada Limited	Computer Software/ Drafting	\$ 674,500
3464	TRACR GRF/AIM World Software used in all airports in the NWT	Tradewind Scientific Ltd.	Fees/ Payments	\$ 681,800
9278	Fur Harvest Auction	Fur Harvester Auction	Fees/ Payments	\$ 750,000
2443	Server Licensing Enterprise Software/ Support	Microsoft Corporation	Computer Software/ Drafting	\$ 1,907,369

0574	SIMS & Facial Recognition Software	Canadian Bank Note Company Ltd.	Computer Software/ Drafting	\$ 4,030,000
2444	Desktop Licensing Enterprise	Microsoft Corporation	Computer Software/ Drafting	\$ 5,390,054
			<b>TOTAL</b>	<b>\$ 18,209,048</b>

<b>CONTRACTS WHERE NO NWT BIDS RECEIVED</b>				
<b>CONTRACT #</b>	<b>DESCRIPTION</b>	<b>CONTRACTOR/ VENDOR</b>	<b>CATEGORY</b>	<b>ORIGINAL CONTRACT AMOUNT</b>
9256	Western Canadian Education Curricular Scan Analysis	R.A. Malatest & Associates Ltd.	Educational/ Training	\$92,960
9377	Behaviour Incident Management Software - data tracking solution	Clevr	Computer Software/ Drafting	\$97,650
2776	Provide quality assurance and commission services on YZF Runway 16-34 lighting rehabilitation project	Avia NG Inc.	Engineering Consulting	\$141,850
0509	Support to planning and implementing a Wek'èezhii Land Use Planning Office	The Firelight Research Inc.	General Contracting	\$150,000
4669	Public Emergency Alerting Software	Public Emergency Alerting Services Inc	Computer Equipment	\$196,000
3231	Polyurethane Floor Raising	Poly-Mor Canada Inc.	Building Maintenance	\$208,470
2560	Transcription of Court Proceedings from digitally recorded audio	Neesons	General Contracting	\$450,000
2610	Common Use Terminal and passenger processing system at airport in Yellowknife	ARINC International of Canada	Computer Software/ Drafting	\$601,795
5037	To complete the 2019-2021 National Forest Inventory Re-measurement	Resource Innovations	Forestry	\$824,131

2558	Court Reporting Services	Dicta Court Reporting Inc.	General Contracting	\$984,000
2494	Supply Liquid Natural Gas Supply on an as and when required to Inuvik	Cryopeak LNG Solutions Corp.	Fuel Distribution/Utility Svc	\$1,083,200
2688	To provide Highway Paint Markings across the NWT	AAA Striping & Seal Coating Service	Highway Maintenance	\$1,150,740
9221	To provide Itinerant Mental Health Services	Northern Counselling & Therapeutic	Consulting Services – General	\$1,921,363
3433	Trout River Bridge Rehabilitation	Julmac Contracting	Construction Section	\$2,289,500
4229	To provide Supplementary Health Benefits Programs Administration	Alberta Blue Cross	Medical Services	\$2,598,000
3248	Water Treatment Upgrade in Ft McPherson	Wildstone Construction and Engineering	Building Construction General	\$5,923,530
4020	Double Hulled Oil Barge	China Merchants Jinling Shipyard	Marine Construction	\$14,850,800
			<b>TOTAL</b>	<b>\$33,563,989</b>

### NEGOTIATED CONTRACTS 2018-19

CONTRACT #	DESCRIPTION	CONTRACTOR/ VENDOR	CATEGORY	ORIGINAL CONTRACT AMOUNT
Fire Crew South Slave	4947 NWT Ltd.	Fort Smith	BIP Registered	\$ 169,120
Fire Crew South Slave	Evergreen Forestry Limited Partnership	Hay River	BIP Registered	\$ 1,130,390
Fire Crew South Slave	Salt River First Nation Development	Fort Smith	BIP Registered	\$ 165,200
Fire Crew Deh Cho	Nogha Enterprises Ltd.	Fort Simpson	BIP Registered	\$ 538,090
Suppression Fire Crew Contract	Tlicho Learning & Development Centre	Yellowknife	NWT Non-BIP	\$ 870,805
Fire Crew North Slave	Deton'Cho Corporation	Yellowknife	BIP Registered	\$ 157,040
Fire Crew North Slave	Denesoline Corporation Ltd.	Yellowknife	NWT Non-BIP	\$ 157,040
Fire Crew Sahtu	Fort Good Hope Renewable Resources	Fort Good Hope	NWT Non-BIP	\$ 137,520
Fire Crew Sahtu	Techi?Q Ltd.	Deline	BIP Registered	\$ 144,960
Fire Crew Sahtu	Tulita Development Ltd.	Tulita	BIP Registered	\$ 137,520
Charles Tetho School Expansion	Sambaa K'e Development Corporation	Sambaa K'e	BIP Registered	\$ 4,974
Labour Supply Dempster Highway	Rat River Development Corporation	Fort McPherson	BIP Registered	\$ 169,738
			<b>TOTAL</b>	<b>\$ 3,782,397</b>

