



Nunavummi Nangminiqaqtunik Ikajuuti

Nunavummi Nangminiqaqtunik Ikajuuti

Prepared by

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Appendix A: Definitions

Nunavummi Nangminiaqtunik Ikajuuti

1.0 Coming Into Effect

- 1.1 This Policy is in effect on and after April 1, 2000 for every contract initiated on or after April 1, 2000.

2.0 Replacement

- 2.1 On its coming into effect, the Policy replaces the Nunavut Contracting Procedures for the Nunavut Settlement Area and the Nunavut Business Incentive Policy. Any guidelines or directives previously issued under those two replaced policies continue in effect until otherwise modified, but shall be interpreted so as to comply with the Policy.

3.0 Authority

- 3.1 In exercising its wider responsibilities and prerogatives, the Cabinet may, on an exceptional basis, depart from the application of provisions of the Policy.

4.0 Title:

- 4.1 The Policy is entitled the "Nunavummi Nangminiaqtunik Ikajuuti" or "NNI Policy".

5.0 Application

- 5.1 Subject to sections 5.2 and 5.3, the Policy applies to the design, award, administration and interpretation of any Contract:
- (a) to which the Government of Nunavut, or any of its Public Agencies or Public Boards as described in the Financial Administration Act is a party;
 - (b) where the Government of Nunavut provides, directly more than 51% of the total Contract funds; and,
 - (c) where the Government of Nunavut provides, directly more than 51% of the annual operating funds of one of the parties.
- 5.2 The Policy does not apply to:
- (a) a contract that provides the Government of Nunavut with insurance against liability;
 - (b) a Government of Nunavut Employment Contract; or,
 - (c) a contract for the supply of emergency services,

5.3 Unless otherwise agreed by the Government of the Northwest Territories, the Policy does not apply to a contract where one of the parties is

- 1) a public body that is administered on behalf of the Government of Nunavut by the Government of the Northwest Territories; or,
- 2) a joint body of the Government of Nunavut and the Government of the Northwest Territories.

6.0 Definitions

6.1 Unless otherwise required by the context, terms used in the Policy have the meanings set out in Appendix A.

7.0 Policy Objectives

7.1 The Policy has the following objectives:

(a) Good Value and Fair Competition

To secure goods and services for the Government of Nunavut at the best value, recognizing the higher cost of doing business in Nunavut, and using a contracting process that is clear, fair and equitable.

(b) Strengthening the Nunavut Economy

To build the economy of Nunavut and its communities by strengthening business sector capacity and increasing employment.

(c) Inuit Participation

Subject to ss.16(2), to bring about a level of Inuit participation in the provision of goods and services to the Government of Nunavut that reflects the Inuit proportion of the Nunavut population.

(d) Nunavut Education and Training

Subject to ss.16(2), to increase the number of trained and skilled Nunavut Residents in all parts of the workforce and business community to levels that reflect the Inuit proportion of the Nunavut population.

8.0 The Bathurst Mandate

8.1 The Policy has been developed in a way consistent with the Government of Nunavut's 1999 Bathurst Mandate.

9.0 The Clyde River Protocol

9.1 The Policy has been developed in cooperation with Nunavut Tunngavik Incorporated in a way consistent with the "Protocol to Govern Working Relations Between the Government of Nunavut and Nunavut Tunngavik Incorporated" ('the Clyde River Protocol'), signed in November 1999

10.0 Relationship to Nunavut Land Claims Agreement (NLCA)

- 10.1 The Policy is aimed at implementing the Government of Nunavut's obligations under Article 24 of the NLCA.
- 10.2 The Policy shall be interpreted so as to respect to the letter and intent of the NLCA.

11.0 Evaluation Process and Bid Adjustment

- 11.1 The evaluation process for the award of Tenders and for the cost criteria portion of Requests for Proposals shall be as follows:
- (a) all Tenders submitted should meet minimum contract requirements specified in the request for tender or proposal and should demonstrate a capability of carrying out the work;
 - (b) all Tenders meeting the requirements of 11.1.a and the cost criteria of relevant Proposals shall then be adjusted based upon Nunavut Business status, Inuit Firm status, and Local status of the proponent, general contractor, subcontractors, and suppliers, including the labour component;
 - (i) the adjustment for the labour component shall be based on estimates of payroll expenditures made by the general contractor, subcontractors and suppliers, for Nunavut, Inuit, and Local payroll expenditures that form part of the bid; and,
 - (ii) in the absence of any qualitative or contrary considerations based on quality of goods and services, conduct, past performance, or other like considerations, the lowest tender after adjustments shall be awarded the contract.
 - (c) the bid adjustment values shall be as follows:
 - (i) Nunavut firm status, an adjustment of 14%;
 - (ii) Inuit firm status, an additional adjustment of 3%;
 - (iii) Local status, an additional adjustment of 3%
- 11.2 The evaluation process for the award of Proposals shall be as follows:
- (a) all Proposals submitted should meet minimum contract requirements specified in the Request For Proposals and should demonstrate a capability of carrying out the work;
 - (b) all proposals meeting the requirements of 11.2.a will be evaluated to determine which appears to offer the best overall value to the Government of Nunavut, based on the evaluation criteria established in the RFP;
 - (c) for Proposals where there is a clear cost criteria the bid adjustment values outlined in 11.1.c will be applied to that portion of the evaluation;

(d) Inuit content criteria will be included in the evaluation criteria established for each RFP. The Inuit content values shall be, at a minimum, as follows:

- (i) for Inuit employment 10%
- (ii) for Inuit ownership 5%

- 11.3 Details of the evaluation process shall be further described in procedures developed by the Responsible Department and made available to the public.
- 11.4 The bid adjustment values for goods contracts will be applied to the first \$100,000.00 only.
- 11.5 Evaluation criteria, consistent with the Policy Objectives contained in 7.0, and based on the Bid Adjustment Values and Content Ratings identified in this section, may be developed by the Responsible Department for specific types of professional services contracts or other distinctive sub-categories of contract.

12.0 Bonuses and Penalties

- 12.1 Contracts may provide for:
- (a) a bonus that shall be applied in the event that minimum threshold requirements set by the Contracting Authority in the request for tenders or proposals have been exceeded; or,
 - (b) a penalty that shall be applied in event that minimum threshold requirements set by the Contracting Authority in the request for tenders or proposals have not been met.
- 12.2 Where applicable, bonuses or penalties shall apply with respect to Inuit participation in employment, project management, and training.
- 12.3 Where applicable, in the area of employment, a bonus or penalty shall be calculated as 1/3 of 1% of the total labour content of the contract for each 1% of the amount by which employment either exceeds or does not meet the mandatory requirement.
- 12.4 Bonuses and penalties shall be calculated for Local Inuit Labour and/or Nunavut Inuit Labour.
- 12.5 In the area of Inuit management, a bonus or penalty in the amount of 2% of the total labour content shall be determined on the basis of whether an Inuk is employed as a Project Manager, either locally or for Nunavut. A larger bonus, but not a larger penalty, of an additional 1% shall be determined for a locally employed Inuk Project Manager than a Nunavut employed Inuk Project Manager.
- 12.6 Where applicable, a bonus or penalty shall be determined on the basis of on-going evaluation as to whether Inuit are provided training in the following areas:
- (a) entry level or support positions, involving the performance of basic tasks; and,
 - (b) apprenticeship or development positions, involving on-the-job training and classroom instruction aimed at professional skills and accreditation;

- 12.7 Bonuses and penalties shall be determined for the provision of training to both non-Local Inuit and Local Inuit.

13.0 Maximum Bonuses and Penalties

- 13.1 The maximum total bonuses and penalties to be determined for a single Contract for employment, management, and training shall not exceed 25% of the total labour price.

14.0 Monitoring and Enforcement Procedures

- 14.1 Monitoring and enforcement procedures shall be developed and applied:
- (a) generally, to ensure compliance with the Policy by Contractors;
 - (b) more specifically, to ensure that bonuses and penalties are based on actual performance;
 - (c) to ensure that the Policy is applied consistently across departments of the Government of Nunavut, the various regional and local offices of those departments, and those GN Public Agencies and Boards set out in the Financial Administration Act.

15.0 Application of Monitoring and Enforcement Procedures

- 15.1 Each Contract Authority within the Government of Nunavut is responsible for monitoring and enforcement of Contracts under which it expend funds.
- 15.2 Each Contract Authority within the Government of Nunavut shall provide monitoring and enforcement information to the Responsible Department in a manner that may be stipulated by that department.
- 15.3 The Government of Nunavut, through the Responsible Department shall provide Nunavut Tunngavik Incorporated with information in a timely manner regarding the outcomes of its monitoring and enforcement activities.

16.0 Periodic Review

- 16.1 It is recognized that achieving the objectives of the Policy will require consistent and persistent effort.
- 16.2 It is further recognized that the achievement of objectives may be most realistically and reliably secured by measured progress over time.
- 16.3 The substance and application of the Policy should therefore be reviewed and revised on a periodic basis to ensure that progress towards objectives is being made in a demonstrable and balanced way.

17.0 Review Committee

- 17.1 A Contracting Policy Review Committee, consisting of representatives appointed by the

Government of Nunavut and Nunavut Tunngavik Incorporated, shall be established to review the implementation of the Policy on a periodic basis and, in any event, at least on an annual basis.

- 17.2 As part of its mandate, the Review Committee shall develop and apply specific mechanisms for assessing progress towards objectives and making recommendations for adjustments to the Policy.
- 17.3 As part of its mandate, the Review Committee shall examine monitoring and enforcement concerns arising out of the implementation of the Policy.
- 17.4 The Review Committee will conduct a comprehensive review at the end of the first three-year period, and every five years thereafter
- 17.5 The Review Committee shall submit all of its work to the Government of Nunavut and Nunavut Tunngavik Incorporated.
- 17.6 In carrying out its work, the Review Committee shall make efforts to collect public input and to consult with interested parties. Without limiting the ability of the Committee to make other parts of its work available to the public, these annual and multi-year reviews shall in all cases be made available to the public.

18.0 Appeals and Arbitration

- 18.1 A Contractor that has submitted a proposal or Tender and that wishes to challenge an award of Tender or proposal may do so within five (5) days of the award announcement by directing the challenge to the Contracting Authority. The Contracting Authority shall have five (5) business days to respond to the challenge.
- 18.2 Any further challenge of an award shall be directed in writing to a Contracting Appeals Board.
- 18.3 An independent Contracting Appeals Board shall be formed, consisting of the representatives of three parties, appointed to terms of two years. A representative shall be appointed by each of the following :
 - i) the Government of Nunavut;
 - ii) Nunavut Tunngavik Incorporated; and,
 - iii) the Nunavut Chambers of Commerce.
- 18.4 The Board shall convene within 21 days of receiving a challenge.
- 18.5 Upon hearing a challenge, the Appeals Board may:
 - i) uphold the award; or
 - ii) recommend remedial actions.

- 18.6 The decision of the Appeals Board shall be binding and final.
- 18.7 If, in the sole opinion of the Appeals Board, a challenge of an award is frivolous or vexatious, then the Board may seek administrative costs against the party who brought the challenge.
- 18.8 An annual report, including financial statements, shall be prepared by the Appeals Board and submitted to the Government of Nunavut and to Nunavut Tunngavik Incorporated. In addition, these annual reports shall be made available to the public.
- 18.9 Notwithstanding that an appeal may be pending, the Contracting Authority may award the Contract.

19.0 Financial Resources

- 19.1 The expenditure of funds by the Government of Nunavut under the Policy is conditional on approval of such funds in the Main Estimates by the Legislative Assembly and on there being a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required, and on meeting such further requirements as may be set out in the Financial Administration Act.

20.0 Transition for Certain Businesses

- 20.1 The Government of Nunavut recognizes the contribution made to the Nunavut economy by a number of companies that have operated for many years in Nunavut that do not qualify as a Nunavut Business under this Policy. Accordingly, any business that, immediately before the coming into effect of the Policy, qualified as a Nunavut Business for the purpose of the Business Incentive Policy, shall qualify as a Nunavut Business under this Policy until the second anniversary of the coming into effect of this Policy.
- 20.2 For greater certainty, section 20.1 shall cease to have any application on the second anniversary of the coming into effect of the Policy and no business shall continue to qualify as a Nunavut Business or Inuit Firm unless it meets the definitions for those terms set out in Appendix A.

21.0 Revisions to or repeal of this Policy

- 21.1 Cabinet may make changes to this policy consistent with the obligations of the Government of Nunavut in Article 24 of the Nunavut Land Claims Agreement which requires a collaborative process with Nunavut Tunngavik Inc. in the maintenance of preferential procurement policies, procedures and approaches.

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APPROVED BY CABINET

DATE:

Original is signed by the Premier

Paul Okalik, Premier

Includes Appendix A – Seven pages

APPENDIX A: DEFINITIONS

The following definitions apply to the Policy and its Procedures.

Article 23 - the Article of the Nunavut Land Claims Agreement dealing with Inuit Employment within Government.

Article 24 - the Article of the Nunavut Land Claims Agreement dealing with Government Contracts.

Bid - a tender or an offer to sell or provide goods, services, or construction that is submitted to a Contract Authority in response to a Request for Bids or Tenders.

Bid Adjustment - the amount by which the face value of a Bid is reduced in accordance with Section 6(2) of this Policy. The Bid Adjustment is used for Bid evaluation purposes only. The Bid price minus the Bid Adjustment will be referred to as the adjusted price.

Bid Security - security given by a Bidder or Proponent to guarantee entry into a Contract.

Bidder - an individual, partnership, corporation, society or co-operative who submits a Bid.

Contract - a written agreement between a Contracting Authority and another party to provide goods, perform services, construct public works, or lease real property, for consideration, and includes

- i. Contracts for the supply of goods.
- ii. construction Contracts.
- iii. Contracts for the supply of services.
- iv. leases.

Contract Authority - a Government of Nunavut Minister, a Deputy Minister, or a public officer with the duties and authorities set out in the Financial Administration Act and Regulations thereto.

Contract Price - the price or price formulated in a Contract.

Contract Security - a deposit of securities by the Contractor which the Contracting Authority may convert to carry out the Contractor's obligations under the Contract.

Contractor - a corporation, partnership or individual that has been awarded a Contract for the execution of work or services under the terms of a Contract.

DIO - Nunavut Tunngavik Incorporated or such other Inuit organizations that, from time to time, Nunavut Tunngavik Incorporated may, by notice to the Government of Nunavut, designate.

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Employment Contract - a Contract which establishes an employer-employee relationship.

Financial Administration Act - the Financial Management Act, R.S.N.W.T 1990 (as adopted by Nunavut) c. F-3 and amendments thereto.

General Contractor - a Contractor who contracts to undertake an entire Contract, rather than a portion of the Contract.

Goods Contract - a Contract for the purchase of articles, commodities, equipment, goods, materials or supplies which may include installation.

Government - the Government of Nunavut.

Government of Nunavut - all Territorial Government departments and all public agencies defined by the Financial Administration Act, S.N.W.T. 1987 (1), c.16, Part IX, and Schedules A, B, and C, as amended for Nunavut pursuant to s.29 and 76.05 of the federal Nunavut Act but excluding the Northwest Territories Power Corporation.

Inuit (singular: Inuk) - a person described in Article 1.1.1 of the Nunavut Land Claims Agreement (NLCA) and who has enrolled himself or herself on the Inuit Enrolment List under Article 35 of the NLCA.

Inuit Content - the dollar value of the goods and services required by the Contract supplied by any Inuit Firm or Inuit sole proprietorship, and Inuit Labour. Inuit Content may include:

- i. goods and services supplied by an Inuit Firm or Inuit supplier acting as the General Contractor. These are referred to as "own forces";
- ii. goods and services supplied by an Inuit Firm or Inuit supplier so long as these goods and services are required for the completion of the Contract and are paid for by the Contract.
- iii. Inuit labour by an Inuit Firm or a non-Inuit Firm

Inuit Enrolment List - the list of Inuit maintained by Nunavut Tunngavik Incorporated under Article 35 of the Nunavut Land Claims Agreement.

Inuit Firm - an entity which complies with the legal requirements to carry on business in the Nunavut Settlement Area, and which is

- i. a limited company with at least 51% of the company's voting shares beneficially owned by Inuit, or
- ii. a cooperative controlled by Inuit, or
- iii. an Inuk sole proprietorship or partnership; and
- iv. able to present evidence of inclusion on NTT's Inuit Firms Registry.

Inuit Firms Registry - the list of Inuit Firms that is maintained by Nunavut Tunngavik Incorporated in accordance with Article 24.7.1 of the Nunavut Land Claims Agreement.

Inuit Labour - labour, including professional services, provided in any capacity by an Inuk or Inuit, and not necessarily through an Inuit Firm.

Inuit Training – Training of an Inuk or Inuit related to a specific Contract that has been pre-approved by the Contract Authority.

Inuk Project Manager - an Inuk [ordinarily resident in the Subject Community] who is capable of undertaking all aspects of the management of the project, and has decision-making authority over day-to-day matters affecting the project.

Invite - to call publicly for Bids.

Local Business - a Nunavut Business which has been resident in the Subject Community for the four months prior to application and in addition complies with the following criteria:

- i. maintains an approved place of business by leasing or owning office, commercial or industrial space or where applicable, residential space, in the community on a year-round basis for the primary purpose of operating the subject business, and
- ii. maintains a Local Resident Manager, and
- iii. undertakes in the Subject Community the majority of its management and administrative functions related to its operations in the Subject Community, and
- iv. has applied for and received designation as a Local Business at least two weeks prior to the Tender opening.

Local Content - the goods and services required by the Contract and supplied by any Local Business or Local Labour. Local Content may include:

- i. goods, services or labour supplied by a local business acting as the General Contractor. These are referred to as "own forces";
- ii. goods, services or labour supplied by any other Local Business or Local Supplier that are required for the completion of the Contract and are provided for by the Contract.

Local Labour - labour of Local Residents related to a Contract, not necessarily through a Local Business.

Local Resident - a Nunavut Resident who has been ordinarily resident in the subject community for the last four months.

Local Resident Manager - a Local Resident who is capable of undertaking all aspects of the management of the Local Business and has absolute decision-making authority over day to day matters affecting the Local Business. The Government of Nunavut may waive this requirement in the case of a newly appointed Local Resident Manager, on proof that within six months the Local Resident Manager will have met the residency requirements.

Local Supplier - a supplier of goods in the Subject Community, to whom the public has access and from whom the public may purchase directly from a Representative Inventory of items

offered for sale. The supplier must be and must have been a Local Resident for the four months prior to application. The Government of Nunavut may recognize as a Local Supplier a business that does not "physically" carry in inventory specific goods due to factors such as high cost/low demand, made-to-order goods, or articles of a nature that the Government is the sole requisitioner.

Nunavummi Nangminiaqtunik Ikajuuti (NNI) - the name of this Policy in Inuktitut, meaning "Assistance for Nunavut Businesses."

Nunavummi Nangminiaqtunik Ikajuuti Business Directory - the list of Nunavut Businesses that have applied and met the requirements of the NNI for Nunavut Business Status.

Nunavut Business

A business which complies with the legal requirements to carry on business in Nunavut, and meets the following criteria:

- i. is a limited company with at least 51 percent of the company's voting shares beneficially owned by Nunavut Residents, or
- ii. is a co-operative with at least 51 percent of the Residents' voting shares beneficially owned by Nunavut, or
- iii. is a sole proprietorship, the proprietor of which is a Nunavut Resident, or
- iv. is a partnership, the majority interest in which is owned by Nunavut Residents and in which the majority benefits, under the partnership agreement, accrue to Nunavut Residents and complies with :
- v. maintains a registered office in Nunavut by leasing or owning office, commercial or industrial space or in the case of service oriented businesses, residential space, in Nunavut on an annual basis for the primary purpose of operating the subject business, and
- vi. maintains a Resident Manager, and
- vii. undertakes the majority of its management and administrative functions related to its Nunavut operations in Nunavut, and
- viii. has received designation as a Nunavut Business at least two weeks prior to the Tender opening.

Nunavut Content - the goods and services required by the Contract and supplied by any Nunavut Business or Nunavut Supplier. Nunavut Content may include:

- i. goods, services or labour supplied by a Nunavut Business acting as the General Contractor. These are referred to as "Own Forces";
- ii. goods, services or labour supplied by any other Nunavut Business or Nunavut Supplier that are required for the completion of the Contract and are paid for by the Contract.

Nunavut Resident - a person who:

- i. is on the NTI Inuit Enrollment List; or has spent the last twelve months ordinarily resident in Nunavut, and
- ii. has a valid Nunavut Healthcare Card and/or other accepted proof of residency such a Nunavut General Hunting Licence, a Nunavut Driver's Licence, a lease or rental receipt, and provides a physical address where residing.

Nunavut Supplier - a Nunavut Business that is a supplier of goods to which the general public has access and from whom the general public can purchase directly from a Representative Inventory of items offered for sale.

Nunavut Land Claims Agreement (NLCA) - the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada, signed on May 25, 1993, and any amendments thereto.

Nunavut Tunngavik Incorporated (or NTI) - the corporation incorporated under the Canada Corporations Act, and the Inuit party to the Nunavut Land Claims Agreement.

Own Forces - goods, services or labour supplied by a Nunavut Business acting as the General Contractor.

Professional Services - services such as legal, accounting or consulting services provided to the Government of Nunavut by way of a Contract by an individuals or professional service companies.

Proponent - an individual, partnership, corporation or cooperative who submits a Proposal.

Proposal - an offer, either unsolicited or in response to a Request for Proposals, to propose a solution to a problem, need or objective, under stated terms and conditions.

Public Agency - any public agency defined by the Financial Administration Act, S.N.W.T. 1987 (1), c.16, Part IX, and Schedules A, B, and C, as amended for Nunavut pursuant to s.29 and 76.05 of the federal Nunavut Act, but excluding the Northwest Territories Power Corporation.

Public Board – Those boards defined as Public Boards in the Financial Administration Act Regulations concerning Government contracts.

Public Tender - a Request for Bids made by public advertisement.

Qualification Committees - committees in the Kivalliq, Kitikmeot, and Baffin Regions chaired by the Responsible Department, and responsible for determining the eligibility of businesses to be included on the **Nunavummi Nangminiaqtunik Ikajuuti Directory**.

Request for Bids - a document defining the minimum standards to be met by Bidders and the specific requirements for goods, services or construction, so as to permit the comparison of Bids on the basis of price.

Request for Tenders - a document defining the minimum standards to be met by Tenderers and the requirements of the Contract so as to permit the comparison of Bids on the basis of price.

Request for Proposals - a document inviting companies to propose a solution to a problem, need or objective, so as to permit the comparison of proposals on the basis of a number of factors including price.

Representative Inventory - for a company that is a supplier of goods, an inventory stored in the community where the company is located, that consists of the type of goods that the supplier deals in. The inventory volume should be large enough to generally to meet the demand of Local and Nunavut Residents and is to be re-stocked as goods are sold so that goods are usually available off the shelf.

Resident Manager - a Nunavut Resident who is capable of undertaking all aspects of the management of the Nunavut Business and has absolute decision making authority over day-to-day matters affecting the Nunavut Business. The Government of Nunavut may waive this requirement in the case of a newly appointed Resident Manager, on proof that within six months the Resident Manager will have met the residency requirements.

Responsible Department - The Department of the Government of Nunavut which holds responsibility for implementing the Nunavummi Nangminiaqtunik Ikajuuti Policy.

Security - cash, a bank draft or certified cheque payable to the Government, or such other Security specified in the Request for Tender or Contract documents.

Solicit - to request Bids from a limited number of businesses based on some form of pre-qualification.

Standing Offer Agreement - a method of supply used to provide direct access to sources of supply for goods and/or services, on an as-needed basis, for specific periods of time, at prearranged prices and delivery conditions.

Subcontractor - includes any party that does not have a direct Contract with the owner, **or** has entered into a Contract with the General Contractor to supply goods or services that will be incorporated into the entire project covered by the Contract.

Subject Community - the community or communities wherein or adjacent to where the Contract performance is undertaken. Where the work is undertaken outside the legal boundaries of a community, the Government of Nunavut may:

- i. define "community" to include that adjacent community in any case, or
- ii. define "community" to include both or all adjacent communities, where two or more communities, such as Hall Beach/Igloolik and Arctic Bay/Nanisivik, are both very close to the work site.
- iii. The name(s) of the Subject Community or Communities to be included in the term "Subject Community" for the purpose of receiving a local preference shall be specified in all Tender documents and Contracts.

Tender - a Bid or offer to sell or provide goods, services, or construction that is submitted to a Contract Authority in response to a Request for Bids or Tenders.

Tenderer - a person, partnership or corporation who submits a Tender.

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Tender Adjustment - the amount by which the face value of a Tender is reduced in accordance with Section 6(2) of this Policy. The Tender Adjustment is used for Bid evaluation purposes only. The Tender price minus the Tender Adjustment will be referred to as the adjusted price.

Training - training related to a specific Contract, that has been pre-approved by the Contract Authority.

CONTRACTOR'S OBLIGATIONS TO PROVIDE INUIT CONTENT - APPENDIX K

1.0 GENERAL

This contract pertains to work in Nunavut and contains provisions regarding minimum prescribed levels of Inuit Labour that must be met or exceeded in the performance of the work. The requirements set out in this Appendix K to meet minimum prescribed levels of Inuit Labour is a fundamental term of the contract. The minimum prescribed level of Inuit Labour shall be complied with.

If the amount of Inuit Labour identified by the bidder on Appendix "B-2" of the tender is less than with the tender requirements, this would result in an obvious qualification to the tender submission by the bidder that would ordinarily cause the tender to be considered non-responsive.

For an Inuit Labour level achieved which differs from the level prescribed, a bonus or penalty will be assessed in accordance with the NNI Policy, specifically Articles 12.3 and 12.4 of the Policy. A bonus would be for exceeding the minimum prescribed Inuit Labour level, and a penalty would be for not meeting the minimum prescribed Inuit Labour level.

"Inuit Labour" and "Inuit Goods and Services" identified on the tender forms shall receive a bid adjustment in accordance with the NNI Policy and the adjustment percentages indicated on Appendix B-2 forms. "Inuit Goods and Services" means "Inuit Content" as defined in the Nunavummi Nangminiaqtunik Ikajuuti (NNI) Policy definition appendix; the NNI Policy is attached as tender Appendix "J"

Damages as described in contract General Condition GC 55 may apply if the Inuit Labour and/or Inuit Goods and Services proposed by the Contractor on the tender Appendix B-2 forms are not met. In addition, if the minimum prescribed levels of Inuit Labour identified on page 4 of this Appendix is not met, then for future tenders where there are similar prescribed minimum levels for Inuit Labour, the Contractor may be deemed "not responsible" (as defined in the Government Contract Regulations.)

2.0 DEFINITIONS

- .1 "Inuit (singular Inuk)" means a person described in Article 1.1.1 of the Nunavut Land Claims Agreement (NLCA) and who has enrolled himself or herself on the Inuit Enrolment List under Article 35 of the NLCA.
- .2 "Inuit firm" means an entity which complies with the legal requirements to carry on business in the Nunavut Settlement Area, and which is,
 - .1 a limited company with at least 51% of the company's voting shares beneficially owned by Inuit, or
 - .2 a cooperative controlled by Inuit, or

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- .3 an Inuit sole proprietorship or partnership; and
- .4 is included on Nunavut Tunngavik Inc. (NTI)'s Inuit Firms Registry

.3 "Labour"

For the purpose of this contract and specifically Appendix K, "Labour" means the Labour (including Inuit labour) used on the job in any capacity and including, for example, tradespeople, administrative staff and professional staff whether in a head office or in a site office and attributable to this project. "Inuit Labour" refers to the status of employees and may be directly provided by the general contractor or indirectly through a sub contractor, and is not necessarily through an Inuit Firm.

.4 "Goods and Services"

For the purpose of this contract and specifically Appendix K, "Goods and Services" means the entire dollar value of the Work including Labour. For further clarification "Inuit Goods and Services" includes all labour of Inuit firms attributable to and paid from the Contract. "Inuit Goods and Services" are to have the same meaning as the term "Inuit Content" used in the General Conditions of the Construction Contract.

.5 "Inuit Content"

"Inuit Content" is defined as the dollar value of the goods and services required by the Contract supplied by any Inuit Firm or Inuit sole proprietorship and Inuit Labour. Inuit Content may include:

- i. goods and services supplied by an Inuit Firm or Inuit supplier acting as the General Contractor. These are referred to as "own forces";
- ii. goods and services supplied by an Inuit Firm or Inuit supplier so long as these goods and services are required for the completion of the Contract and are paid for by the Contract.
- iii. Inuit labour by an Inuit Firm or a non-Inuit Firm.

3.0 REQUIREMENTS

- .1 The Contractor shall maximize the value of Inuit Labour and Inuit Goods and Services and shall meet or exceed the Inuit Labour minimum level identified in this appendix when bidding. In the performance of the work, the Contractor shall meet or exceed the amounts tendered on Appendix B-2.
- .2 The Contractors shall submit records on a monthly basis, or as specified, indicating the amount of Inuit Labour and Inuit Goods and Services used. No payment shall be due or payable to the Contractor if the Contractor fails to supply these reports to the Owner.

4.0 FAILURE TO ACHIEVE INUIT CONTENT REQUIREMENTS

In addition to the bonus or penalty prescribed by the Nunavummi Nangminiaqtunik Ikajuuti (NNI) Policy for exceeding or not meeting the minimum prescribed Inuit Labour level set out on page 4 of this Appendix K; the following damages may apply for not meeting Inuit Labour and /or Inuit Goods and Services requirements:

- .1 There is a requirement to provide no less than the levels of Inuit Labour and Inuit Goods and Services tendered by the Contractor on Appendix B-2 of the tender. Failure to meet this requirement by achieving the levels tendered may result in the Owner applying damages described in the contract General Condition GC 55.
- .2 Additionally, if the contractor fails to meet the prescribed minimum Inuit Labour set out on page 4 of this Appendix K, then for future tenders where there are similar prescribed minimum levels for Inuit Labour the Owner may deem the Contractor to be "not responsible" (as defined in the Government Contract Regulations).
- .3 The Owner may terminate this contract prior to Final Completion if the Contractor has not demonstrated compliance with the requirement to attain the prescribed minimum levels of Inuit Labour set out on page 4 of this Appendix K.

5.0 INDEMNIFICATION

- .1 The Contractor shall indemnify the Owner against any claim brought by any person because of any failure by the Contractor to achieve the prescribed levels of Inuit Labour prescribed by this contract.

6.0 WAIVER OF INUIT CONTENT REQUIREMENTS

- .1 The prescribed level of Inuit Labour shall only be reduced when sufficient Inuit Labour is not available and the Contractor has requested and received prior approval by the Owner in writing to reduce the prescribed levels.

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Inuit Labour	
<p>It is a fundamental term of this contract that the contractor shall maximize the value of Inuit labour used to perform the Work. Therefore the GN has set a minimum percent by dollar value for the use of Inuit labour. The Inuit labour content may be provided by the general contractor or any subcontractor and may include professional or administrative staff or skilled or unskilled trades people, and not necessarily through an Inuit Firm. The minimum may only be reduced where sufficient Inuit labour is not available and the approval of the Owner has been obtained in writing.</p>	
<p>For the purposes of this contract the GN has prescribed that the following minimum percent of the total labour for this job by dollar value shall be provided by Inuit workers.</p>	<p><u>20%</u> Prescribed minimum level of Inuit labour as a percent of total labour by dollar value.</p>
Substantiation	
<p>In order to substantiate the amount of Inuit Labour the general contractor shall be responsible for providing an amalgamated employment report that shall reflect the Inuit labour used by the general contractor and any other sub contractor or supplier. The general contractor shall submit this employment report with every Progress Claim. Receipt of an employment report shall be a condition precedent to the release of a progress payment, an interim payment and/or a final payment.</p> <p>If requested, the general contractor shall also provide a completed "Employee Verification and Consent Form" for an Inuit worker.</p>	