

Government of
Northwest Territories

May 2024

Guide to the Business Incentive Policy (BIP)

Department of Industry, Tourism and Investment



If you would like this information in another official language, call us.

English

Si vous voulez ces informations dans une autre langue officielle, contactez-nous.

French

Kīspin ki nitawihitīn ē nīhīyawihk ōma ācimōwin, tipwāsinān.

Cree

Tłıchq yatı k'èè. Dı wegodi newq dè, gots'o gonede.

Tłıchq

ʔerihł'is Dēne Sųlíné yatı t'a huts'elkēr xa beyáyatı theʔą ʔat'e, nuwe ts'ēn yółtı.

Chipewyan

Edı gondı dehgháh got'je zhatıé k'ée edat'éh enahddhę nıde naxets'é edahłı.

South Slavey

K'áhshó got'ıne xədə k'é hederı ʔedłhtł'é yerıniwę nıde dúle.

North Slavey

Jii gwandak izhii ginjik vat'atr'ijahch'uu zhit yinothan ji', diits'at ginohkhii.

Gwich'in

Uvanittuaq ilitchurisukupku Inuvialuktun, ququaqłuta.

Inuvialuktun

ᑕᑦᑲᑦᑲᑦᑲᑦᑲᑦ ᑲᑦᑲᑦᑲᑦᑲᑦ ᑲᑦᑲᑦᑲᑦᑲᑦ ᑲᑦᑲᑦᑲᑦᑲᑦ, ᑲᑦᑲᑦᑲᑦᑲᑦ ᑲᑦᑲᑦᑲᑦᑲᑦ.

Inuktitut

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.

Inuinnaqtun

Indigenous Languages:

867-767-9202 Ext. 63053

French:

867-767-9348

866-561-1664 Toll Free

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Introduction and Program Objectives

The purpose of the Business Incentive Policy (BIP) is to give preference on Government of the Northwest Territories (GNWT) procurement to businesses that are owned and operated within the Northwest Territories (NWT) and other businesses that engage NWT-based labour, suppliers, or services for their contracts. It is designed to promote economic growth and capacity within NWT Businesses and the economy, while:

- recognizing the higher cost of operating businesses, employing personnel, and manufacturing products in the NWT;
- encouraging NWT-based businesses to create employment and develop necessary experience and essential business skills; and
- complies with any intergovernmental agreements to which the GNWT must adhere.

Principles of BIP

As outlined in the BIP, the GNWT will adhere to the following principles when implementing this Policy;

- Government procurement practices should maximize benefits for residents of the NWT
- Government policies and practices should enhance the NWT business environment to ensure sustained economic growth
- This Policy should not prejudice any present or future Indigenous rights

Who can Apply?

Any business that:

- Is compliant with the legal requirements to carry on a business in the NWT and is registered with Corporate Registries
- Pays taxes in the NWT
- Maintains a place of business year-round in the NWT with a physical address for the primary purpose of operating the business; and,
 - i. Is a majority owned business by an NWT resident(s)*, or;
 - ii. Has NWT residents as the majority (>51%) of employees conducting its operations within the NWT and has an NWT resident manager overseeing its NWT operations.

When will my business go live on the BIP Registry?

- Any business approved for registration will be entered into the BIP Registry within 2 weeks of the date of the notice of approval
- The business will remain registered until:
 - (i) its registration is revoked; or
 - (ii) it fails to maintain its ability to meet the eligibility requirements of this Policy

What is eligible for BIP adjustments?

- Goods purchased from a BIP registered business which has been approved to supply that specific good
- Services provided by a BIP registered business
- Use of NWT labour

**NWT resident is an individual that has resided in the NWT for at least 6 months prior to applying*

When can non-BIP registered businesses receive BIP adjustments?

- If they use a BIP Registered company for NWT supply of goods
- If they use a BIP registered company for NWT supply of services
- If they use northern labour

How are Bid Adjustments Applied?

Under \$25,000, public competition for the purchase or contract is optional; if there is no public bidding (which would include Southern/International businesses) there is no need for the BIP adjustment. GNWT Expenditure Authorities **must follow a sourcing order of operation** for all goods or services contracts valued at less than \$25,000.

The GNWT order of operation for sourcing qualified vendors requires that goods or services be obtained from:

1. a **BIP-registered local** vendor (municipality where goods or services are required); if none, then
2. a **BIP-registered NWT** vendor (any location within the Northwest Territories); if none, then
3. a **Local** vendor, NON BIP-registered (municipality where goods or services are required); if none, then
4. an **NWT** vendor, NON BIP-registered (any location within the Northwest Territories); if none, then
5. a Southern or International vendor.

This order of operations does not apply to contracts for Professional Services valued at under \$50,000 and architectural and engineering services valued under \$100,000.

When Bidding on Tenders

For the amount of the bid up to **and including \$1,000,000** of your bid:

- A 15% bid adjustment will be applied to any NWT Content
- An additional 5% bid adjustment will be applied to any Local Content

For the amount of the bid which is **over \$1,000,000**:

- Up to the maximum allowable adjustment, a 1.5% bid adjustment will be applied to any NWT Content
- Up to the maximum allowable adjustment, an additional 0.5% bid adjustment will be applied to any Local Content

The maximum allowable adjustment is \$500,000

BIP Eligibility Criteria

The following criteria must be met for your business to be eligible onto the BIP Registry.

- Is compliant with legal requirements to carry out business in the NWT; and
- Is registered with the GNWT's Corporate Registries Division of Justice, and
- Holds a current business licence issued by an NWT municipal corporation, or by the GNWT's Consumer Affairs Division of MACA (smaller communities without business licencing bylaws), and
- Maintains a place of business year-round in the NWT with a physical address for the primary purpose of operating the business (which may be a portion of a residential space), and
- Is subject to the Income Tax Act (NWT), and
- Is a for-profit corporation or cooperative with at least 51% voting shares owned by NWT resident(s), or a partnership with the majority interest owned by NWT resident(s), or a sole proprietorship that's an NWT resident,

OR

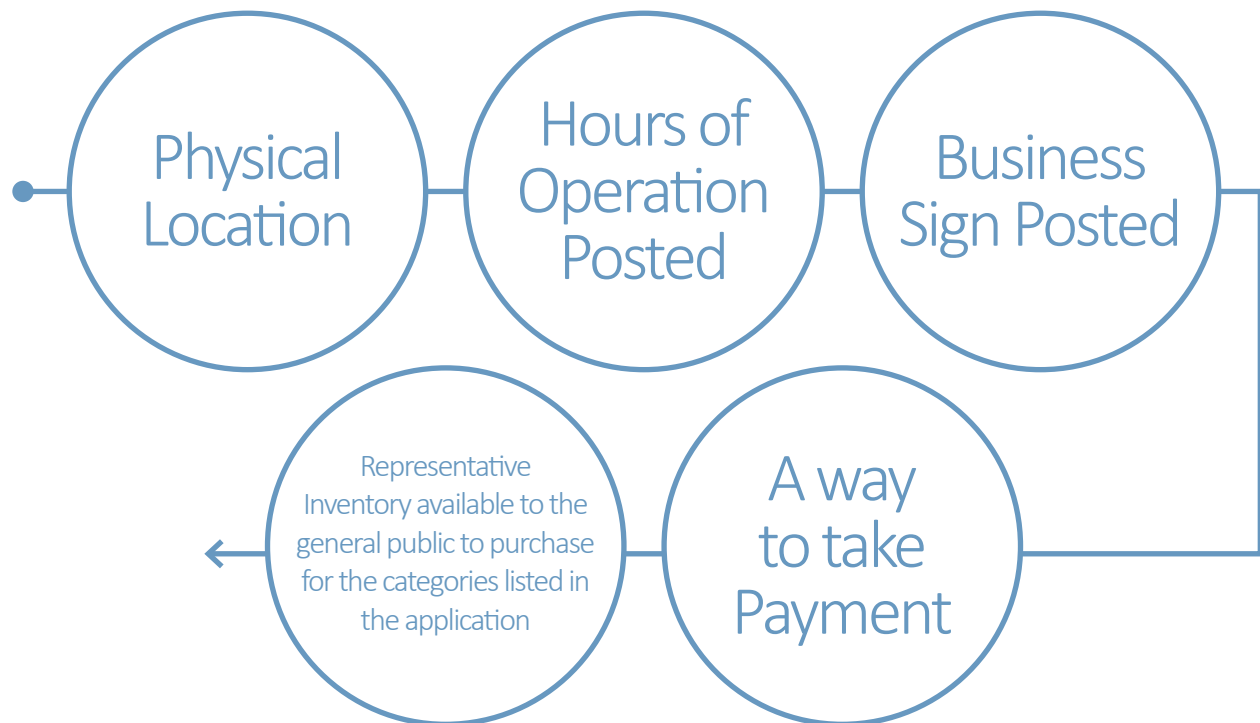
- Is a for-profit corporation, co-operative association, partnership or sole proprietorship with NWT residents as the majority of employees conducting its operations within the NWT, and has an NWT resident as the Manager overseeing its NWT operations.
- In the case of an NWT retailer of good or goods supplier, the business must also be accessible to the public and have a representative inventory of its product categories for sale.

Goods Inspection Process

(see Appendix for copy of the form)

Local Supplier – is an NWT supplier, which is and has been for the six months prior to application, a supplier of goods in the local community to which the public has access and from which the public can purchase directly from a representative inventory of items offered for sale.

A member from the ITI Regional office will do a site inspection looking for the following and will be taking photos to be saved on the file:



Application Requirements

Below is the list of documents that must accompany your application, which can be found here: https://www.iti.gov.nt.ca/sites/iti/files/nwt9090_fillable_final.pdf

Proof of Registration with NWT Corporate Registries

- is a document evidencing that the business meets the legal requirement to conduct business in the NWT. The document is available from the GNWT Corporate Registries Division
- Contact by phone 867-767-9304 or 1-877-743-3302 between 9:30 a.m. to 4:00 p.m. from Monday to Friday. Visit <https://www.justice.gov.nt.ca/en/business-names/page/3/> for additional information and online

Certificate of Compliance

- is a document evidencing that the business (corporations only) is in good standing with the legal requirement to file annual returns with the GNWT Legal Registries Division noted above

NWT Business Licence

- is a document evidencing that the business has been licenced to conduct business in the NWT community indicated on the application.
- The document is issued by a municipal corporation or, where applicable, obtained from the Public Safety Division, Department of Municipal and Community Affairs in Yellowknife at telephone 867-767-9161 ext 21021

NWT Proof of Property Ownership or Lease

- is a document such as a current NWT land titles certificate or current lease agreement for the business, that evidences that the applicant maintains a place of business year round in the NWT for the primary purpose of operating the business (can be a portion of a residential space if a home-based business)

Share Register (Corporations only)

- is a document evidencing all shareholders of the business. The Business Incentive Policy requires that 51 percent of the voting shares are beneficially owned by NWT resident(s). An NWT resident is an individual who is ordinarily resident in the NWT and has been so resident for the last 6 months.
- The Securities Register document that shows all Classes of Shares must be attached

NWT Proof of Residency

- for majority shareholder(s) (minimum total 51 percent) is a document such as a current NWT Driver's Licence OR General Identification Card (GIC) issued at least 6 months prior to application OR completed Statutory Declaration form evidencing NWT residency for the last 6 months
- for an NWT resident as the manager overseeing the NWT operations is a document such as a current NWT Driver's Licence OR General Identification Card (GIC) issued at least 6 months prior to application OR completed Statutory Declaration form evidencing NWT residency for the last 6 months , and for NWT residents as the majority of employees (minimum 51 percent) conducting its operations within the NWT, is a completed Statutory Declaration form calculating the total number of employees conducting operations within the NWT and the portion of those that are NWT residents.

Application Process

- Complete the online application found on the ITI website
<https://www.iti.gov.nt.ca/en/services/business-incentive-policy>
- Send the application along with the required documents to the ITI office in your Region for consideration and approval
- See service standards section for timelines (page 14)

Application Notification

- Once approved by Regional Qualification Committee (RQC), a draft letter will be signed by the ITI Chair to be emailed to the client.
- A copy of the approved application and approval letter to BIP Monitoring Office (BIPMO) outlining date of approval, effective date (14 calendar days from the approval date) and list the goods, services and construction categories.

Who is the BIP Regional Qualification and Senior Management Committee?

BIP RQC includes the Regional Superintendent of ITI (or his/her delegate) who serves as Chair; and representation from at least three other departments or public agencies subject to this Policy.

BIP Senior Management Committee (BIP SMC) includes the following members, or their delegates: the Deputy Minister of Industry, Tourism and Investment (ITI) who serves as Chair; the Deputy Minister of Infrastructure (INF); the Deputy Minister of Finance (FIN); and the President of the Northwest Territories Housing Corporation (NWT HC). The Deputy Minister of Justice (JUS) will also provide advisory support to the BIP SMC.

What can be appealed?

Under the BIP Policy, applicants that have been denied registration or revoked by a BIP RQC may appeal in writing to the BIP Senior Management Committee (SMC) within 30 days of the date of the letter informing them of the denied registration or revocation. An application would be denied or revoked if the applicant didn't meet or failed to maintain the eligibility criteria, set out in the Policy. (See BIP ELIGIBILITY CRITERIA ABOVE)

An appeal will be considered when there is new information that has become available or if the applicant believes that the Policy has not been applied correctly.

What is the Appeal Process?

If a company is declined approval by the RQC onto the BIP Registry, the company can appeal the decision to the BIP SMC, as per the Policy. Below is the process:

A letter is sent to the business from the RQC outlining why they have been declined or revoked and reference back to the eligibility criteria in the Policy

The letter will also include the wording that the business can appeal and who to contact:

Attention: Erika Walton, Secretary, Business Incentive Policy Senior Management Committee
Industry, Tourism and Investment, Government of the Northwest Territories
Suite 201-77 Woodland Drive
Phone: (867) 875-2590 Email: Erika_Walton@gov.nt.ca

Client emails/calls above contact person to advise they wish to appeal the RQC decision to the BIP SMC and the Manager works with the client to provide the relevant information to be presented to BIP SMC

Meeting is arranged for BIP SMC to review the reason for removal and why the client feels it was incorrect and wants a second review

BIP SMC meet and review the RQC rationale and the client information

BIP SMC makes a decision and the secretary of the committee drafts a letter in response to the decision

Letter is signed by the Chair of BIP SMC, sent to the client, cc'd to the RQC and the BIPMO to add to the file or action any decision

What is the Renewal Process?

BIP Renewals are done every two years by ITI Regional staff to assist in keeping the BIP Registry up to date with current information of the businesses that are operating in their region.

A list of the current businesses can be printed from the BIP Registry or the BIPMO can populate a spreadsheet of businesses in their region upon request.

- Regional staff will review the file for the business and determine what information is expired and draft a letter to the business requesting the specific information.
- The items that need to be reviewed that expire are:



- A letter will be drafted indicating the expired documents required to be submitted with a deadline (30 days). Also included will be a copy of the BIP Application for the client to fill out so that we can ensure that the contact information is still correct and update any of the categories.
- If the business is approved for any goods categories, ensure that an updated goods inspection is done every four years or as the business requests additional categories.
- If no response, do a second follow up sending a reminder email/letter/phone call with a date that you need the required update information back (another 30 days).
- If no response again (now after 60 days from initial request), send a third and final letter by Registered Mail, (30 days from date of registered letter) they may be removed from the BIP Registry.
- If no response is received, after at least 90 days from first contact, prepare the removal letter for the BIP RQC to review outlining the contact dates, times and methods of contact for the business for them to make a decision.
- Send the decision from RQC to the business and cc to the BIPMO so that they will action and remove them as of the date on the letter from RQC within 48 hours of receiving.

Service Standards

Business Incentive Policy (BIP) Application Process Timeline

Regional Office – Day 1-7

- Once a completed application is received by the ITI Regional Office, the turnaround to respond to the client with a decision shall be no more than seven business days
- RQC Chair will send complete package along with summary sheet and good inspection report, if applicable to RQC members for review and signatures

Regional Office – Day 8-9

- Once approved by RQC, Regional staff will draft the letter to the client and get signed by the ITI Chair to be emailed to the client
- RQC Chair sends a copy of the approved application and approval letter to BIP Monitoring Office (BIPMO) outlining date of approval, effective date (calendar days from the approval date) and list the goods, services and construction categories

BIP Monitoring Office – Day 10-12

- Once the BIPMO receives the complete application package with signed letter, it will be processed within 48hrs
- **When completing the approval letters, it is imperative that the two-week waiting period is noted, as there are times, when a Supplier is NEW and needs to be set up in SAM, this causes some delays with getting the information on the registry. The same delay may also occur when changing contact information

If incomplete application
- client will be notified
within five days



Client will have 30 days
to provide outstanding
documents



After 30 days, the file will
be closed and the client
will have to reapply

BIP Renewal Service Standards

Day 1-30

- Draft a letter indicating the expired documents required to be submitted with a deadline (30 days)
- Also include a copy of the BIP Application for the client to fill out so that we can ensure that the contact information is still correct and update any of the categories

Day 30-60

- If no response, Regional staff will follow up sending a second reminder email/letter/phone call with a date that you need the required update information back (another 30 days)

Day 60-90

- If no response again (now after 60 days from initial request), Regional staff will send a third and final letter by Registered Mail, (30 days from date of registered letter) they may be removed from the BIP Registry

Day 90-100

- The Chair of the RQC will draft a decision item for the Committee to review the attempts made to get the business to update their registration and make a decision to remove them from the registry
- RQC Chair will send the decision from the Committee to the business and cc to the BIPMO so that they will action and remove them as of the date on the letter from RQC within 48 hours of receiving

Reporting

The department of Finance produces a procurement dashboard that is updated quarterly showing contracts that have been awarded for goods, services and construction. This shows the number of contract awarded each year, to which businesses and if they are BIP Registered.

<https://apex.oracle.com/pls/apex/r/contractsregistry/contracts-registry/home?tz=-6%3A00>

Contact

For more information or to apply, please visit <https://www.iti.gov.nt.ca/en/services/business-incentive-policy> or contact the Economic Development Officer in your Region.

Beaufort Delta Region

867-777-7233

Beaufort_Delta_ITI@gov.nt.ca

Deh Cho Region

867-695-7512

Dehcho_ITI@gov.nt.ca

North Slave Region

867-767-9202 ext. 63261

North_Slave_ITI@gov.nt.ca

Sahtú Region

867-587-7171 ext 1001

Sahtu_ITI@gov.nt.ca

South Slave Region

867-621-0469

South_Slave_ITI@gov.nt.ca

BIP Monitoring Office

867-875-2829 or 867-875-2590

BIP@gov.nt.ca

The background is a solid blue color. A white diagonal line runs from the left edge, about one-third of the way down, to the right edge, about two-thirds of the way down, creating a triangular shape on the left.

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<https://www.iti.gov.nt.ca>