



# FOREWORD



The Department of Community and Government Services (CGS) is pleased to present the *Reference Guide to Acquiring Goods and Services with Public Money* which is intended as an overview of the Government of Nunavut's procurement policies and practices. The Guide was developed as part of the Department's ongoing commitment to communicate and simplify the services it provides across the Government of Nunavut (GN). In addition, it represents an initial step of a broader initiative under *Purchasing, Logistics & Contract Support Services* to work in close consultation with GN departments to enhance client services, planning and delivery of procurement services.

CGS intends to update the Guide periodically to ensure it reflects current practice and serves as a helpful reference for GN employees. Your comments and feedback are appreciated and will be considered for future versions of the Guide.

Thank you.

## Mission

The Department of Community & Government Services works in partnership with municipal governments to enhance social and economic opportunities in self-governing, sustainable communities, thereby contributing to Nunavut's economic growth and social well-being; CGS ensures effective planning and delivery of the government services for which it is responsible.

~ 2005-06 Business Plan



## TABLE OF CONTENTS

Purpose	1
Objectives	2
Ethics	4
Nunavummi Nangminiqagtunik Ikajuuti (NNI Policy)	5
Procurement Methods	6
Supply Management	13
Standard Contracts	17
Sole Sourcing	19
Standing Offers	20
Contract Award	21
Reporting Requirements	23
<b>List of Appendices</b>	<b>24</b>
Authorities & Responsibilities	25
Introduction	25
Contract Law	25
Government of Nunavut	26
Nunavummi Nangminiqagtunik Ikajuuti (NNI Policy)	27
Contract Authorities	29
Department of Community & Government Services	32
Ethics	34
Requirements	36
GN Contract Regulations	36
Nunavummi Nangminiqagtunik Ikajuuti (NNI Policy)	37
GN Contract Procedures Manual	38
Contact List	42
Common Terminology	43

# PURPOSE



This Guide is an introduction to the Government of Nunavut's policies and practices for acquiring goods and services to run government operations and to deliver programs and services for Nunavummiut.

Meeting such requirements by contracting with outside suppliers is often referred to as procurement. This process includes the range of activities from identifying departments' needs to determining the best way of meeting those needs and extends to deciding on the best value overall and contracting with the selected supplier. This Guide will provide readers with a helpful understanding of the GN's approach to procurement and contracting and help them determine when and where to seek additional information.

## **Inquiries may be directed to:**

**Manager, Purchasing,  
Logistics & Contract  
Support Services  
Department of Community  
& Government Services  
(867) 975-5427  
[procurement@gov.nu.ca](mailto:procurement@gov.nu.ca)**



## OBJECTIVES

The Department of Community & Government Services (CGS) has a lead role in meeting the GN's requirements for goods and services. In particular, it is recognized as a contract authority<sup>1</sup> for securing goods and most services needed by the GN. With this expertise, CGS works closely with other GN departments to provide advice and guidance on procurement and contracting practices.

Services offered by CGS' **Purchasing, Logistics & Contract Support Services** include:

- Technical advice concerning the application of GN regulations and policies;
- Coordination with Department of Justice to obtain legal reviews and opinions concerning contract law;
- Management of the procurement process for a wide range of goods and services (including sealift logistical support services);
- Administration of tenders and proposals for GN departments and/or assistance as required;
- Active GN liaison with NNI Secretariat and participation on the NNI working group;
- Provision of guidance and support to GN departments with respect to proposal evaluations and bid adjustments;
- Centralized reporting on the GN's contracting and procurement activities;
- Workshops and presentations including training and development;
- Setting of the GN's protocol, procedures and practices with respect to procurement and contracting.
- Logistics and management of sealift operations for the GN.

<sup>1</sup> This term is defined later in the Guide.

## OBJECTIVES



CGS is committed to ensuring fair and ethical practices in carrying out its procurement responsibilities. This is accomplished through effective policies and procedures aimed at:

- Obtaining the best value for Nunavummiut;
- Creating a fair and open environment for suppliers;
- Providing appropriate recognition of Inuit, local and Nunavut interests;
- Setting high standards for its service delivery;
- Maintaining current and accurate information on costs, availability, and industry trends; and
- Establishing and maintaining efficient systems and processes for timely delivery of quality products and services.



### **Pijitsirniq: The Concept of Serving**

In carrying out their responsibilities all GN staff will endeavour to serve each other and the community at large to the best of their abilities.

~Pinasuaqtavut, 2005.

Each year, the GN enters into many contracts with suppliers for a wide array of goods and services – anything from office supplies to specialized medical equipment and more. Like all consumers, the public expects that the GN will obtain the best value with the money available and that any individuals making procurement decisions on behalf of the GN will ensure the appropriate steps are taken. When working for the government, employees also have a responsibility to put the interests of the public ahead of their own. Therefore a GN employee must ensure he or she is free of bias and is not influenced by outside factors so that decisions can be shown to be fair and objective. It is important that all employees – new and old –

know what is expected of them while carrying out such responsibilities so that the public's interests and confidence is maintained.

Common expectations include:

- Safeguarding or protecting confidential information;
- Avoiding real and perceived conflicts of interest; *and*
- Operating in compliance with laws and authorities.

For further information, these responsibilities are discussed in more detail in the Appendix under Ethics. Specific questions concerning employees' responsibilities under procurement may be directed to CGS, while questions related to overall responsibilities when serving the public interest may be directed to the Department of Human Resources.

# NUNAVUMMI NANGMINIQAQTUNIK IKAJUUTI (NNI POLICY)



In 2000, the Government of Nunavut (GN) established the NNI Policy as a tool to facilitate the economic development of Nunavut and to encourage representative participation of Inuit and northern interests in meeting the GN's requirements for goods and services. The Policy was developed in close collaboration with Nunavut Tunngavik Inc. (NTI) and is based on the obligations set out in the Nunavut Land Claims Agreement (NLCA) through which the Territory was created. It also respects the GN's responsibilities as a public government to represent the interests of all Nunavummiut.

Under the NNI Policy, all qualified Inuit-owned, local and Nunavut-based businesses obtain a favourable adjustment of 7% for each criteria met (to a maximum of 21%) to ensure competitiveness when assessed against bids from other qualified bidders. The bid adjustment partially offsets the higher costs of doing business in the north and also provides access to the GN's requirements and serves to build further capacity within the Nunavut economy.

The Policy has been addressed in more detail in the *Authorities and Responsibilities* section of this Guide. Additional information may also be obtained from the NNI Secretariat under the Department of Economic Development & Transportation<sup>2</sup>.

<sup>2</sup> Contact information for the NNI Secretariat is provided in the Appendix entitled Contacts.



## PROCUREMENT METHODS & TOOLS

Goods and services that the GN needs may be purchased in different ways depending on the value and type. Not all employees will be involved in every aspect of procurement and, in fact, some may have very limited involvement given their roles. Therefore this section is a brief introduction to give employees a general understanding of how the GN obtains – or procures – needed goods and services. Further information may be obtained as needed from Purchasing, Logistics & Contract Support Services.

### Procurement

The process of identifying the need for a good or service, locating and selecting suppliers, negotiating price and other contract terms and buying the good or service.

### DUTIES & REQUIREMENTS

A GN employee is a public officer and has a duty to ensure that all activities are handled fairly and objectively to serve the best interests of Nunavummiut. In terms of spending public money, this also means ensuring the best value is obtained through a competitive process while also respecting the GN's NNI Policy. The NNI Policy applies regardless of the contract value<sup>3</sup> and serves to encourage the participation of

local, Nunavut-based and Inuit-owned businesses in supplying the GN's requirements for goods and services. All GN employees who are involved in procurement should be aware of the NNI Policy.

The GN's contracting and procurement activities must also be conducted in a manner which is consistent with the legal and authoritative requirements under the Financial Administrative Act (FAA) and the GN's Contract Regulations. The FAA is a critical piece of legislation as it controls the expenditures of public monies. Therefore contracts that are funded with GN monies must follow the provisions of the FAA and its accompanying regulations. The Financial Administration Manual (FAM) is a companion document to the FAA and comprises a series of directives which have been formally approved by the Financial Management Board in its capacity under the FAA. The GN's Contract Regulations under the FAA are included in

<sup>3</sup> With the exception of GN contracts which entail insurance, emergency or employment services.



FAM under Directive 9904<sup>4</sup>. This directive is a “must” read for all GN employees involved with contract activities.

Under the GN’s Contract Regulations, a contract to obtain goods and services should not be made without first tendering or obtaining competitive bids from different suppliers. There are few exceptions to this requirement.

The *first* is the ability of Executive Council (usually referred to as Cabinet) to enter into contracts directly or to instruct a public officer to do so.

**All contracts must be tendered except under certain circumstances.**

The *second* type of exception involves contracts for goods and services valued at less than \$5,000 and contracts for architectural and engineering services valued at less \$25,000.

A *third* type of exception concerns those situations where any delay taken to obtain competitive bids would either be harmful given the urgency of the requirement or not be effective as only one supplier can credibly meet the GN’s requirement.

In all three exceptions, it is not necessary to request competitive bids before entering into a contract. However, it is always the responsibility of a public officer to ensure that good value is obtained with public money.

Two methods that departments frequently use to fulfill many of their requirements are local contract authorities and requisition orders. Both are addressed here.

<sup>4</sup> The Financial Administration Act (FAA) and the Financial Administration Manual (FAM) are available to GN employees by accessing the Department of Finance intranet <http://finance/>.



## PROCUREMENT METHODS & TOOLS

### LOCAL CONTRACT AUTHORITY

The most common method of obtaining goods and services is through a local contract authority (LCA). An LCA is a duty that has been assigned to a GN employee and is carried out using a standard LCA form. This duty is restricted to purchases within the territory – *local purchases* – to a maximum value of \$5,000<sup>5</sup>.

#### Local Contract Authority (LCA)

An LCA may be used for local purchases only to a maximum value of \$5,000 (including GST).

The maximum value for an LCA that an employee can sign also depends on the dollar value of the employee's signing limit. Whenever a GN employee has been given a signing limit which is less than \$5,000, this lower limit would apply to all LCA forms the employee may sign as well. Each department maintains information on its employees' signing limits – otherwise called *signing authorities*. If there is any uncertainty, an employee can confirm his or her signing authority with the appropriate department's Finance area. Once signed by a

GN employee and the supplier, the LCA form constitutes a legal contract for the good or service identified.

LCAs are generally used for local purchases of goods, transportation services and communication services. Responsibility for obtaining other specialized services to meet the GN's legal, construction, insurance and real property lease requirements have been assigned to specific Ministers and their Deputy Ministers. Therefore these services

may only be obtained through an LCA if the appropriate Minister or Deputy Minister has directly delegated the responsibility for obtaining that type of service. As well, any services that require a detailed description are more appropriately addressed through a service contract form rather than a LCA regardless of the contract value. Service contracts are addressed in the following section.

#### Legal Services

The Minister and Deputy Minister of Justice are recognized as "contract authorities" for engaging legal services.

<sup>5</sup> Including 7% GST.



## REQUISITION ORDERS

Outside the LCA process, CGS plays a lead role in obtaining goods to meet the GN's requirements. As well, CGS is responsible for obtaining many services for the GN. Specific exceptions include the securing of specialized services such as legal and insurance expertise which fall under the Ministers of Justice and Finance respectively.

Through its role as the GN's primary purchaser, CGS has a great deal of internal expertise on procurement issues and can provide GN departments with advice and guidance as needed. Where GN departments decide to pursue certain activities directly, they should consult CGS first to ensure that they are fully aware of the requirements including NNI Policy considerations.

To obtain CGS' services in fulfilling an order for a good or service, the department must complete a requisition order (otherwise known as an RSN). The initiating department is responsible for identifying the specifications and providing the appropriate coding as well as ensuring that the commitment is entered. CGS' buyers will manage the process of fulfilling the department's requirement including making Requests for Quotation (RFQ) and determining the best value after applying the appropriate adjustments under the NNI Policy. The buyer will then issue a purchase order (for goods) or a contract (for services) to the supplier. The initiating department is responsible for ensuring that the goods ordered meet the specifications or, in the case of services, that the work is completed as contracted.

It is important that the CGS buyers have sufficient notice in order to fulfill each department's request. Often the notice period – or lead time – can be quite long and varies depending on the complexity of the order, the available supply and the shipping method. For instance, goods that need to be manufactured to meet the GN's specifications can understandably take several months not including transportation time. This is addressed further under the section entitled Supply Management

### Request for Quotation

An RFQ is typically issued by a buyer when the good or service is well defined and readily available.



## PROCUREMENT METHODS & TOOLS

### REQUEST FOR TENDER & REQUEST FOR PROPOSAL

The needs of the GN are often greater and more complex than what may be obtained through an LCA. Therefore the GN – and, in particular, CGS – relies on other procurement methods to obtain information from the market concerning needed goods and services. Chief

among these is a Request for Tender<sup>6</sup> (RFT) or Request for Proposal (RFP). These two methods differ in very specific ways.

An RFT is used when the department clearly knows what it wants. The specifications in the RFT are very precise and, in fact, if a supplier is unable to meet those exact requirements, its response would be rejected. An example would be an RFT issued for an industrial-style stove suitable for high volume commercial use as in a hospital or correctional facility. A response which offered to supply a regular household stove would not be suitable and would therefore be rejected. As all qualified

responses to an RFT contain the same information in terms of the good or service to be provided, then the only factor that can be assessed is price (after appropriate adjustments under the NNI Policy). It is assumed that, all other factors considered equal, the lowest (adjusted) price represents the best value for Nunavummiut and would therefore be selected.

An RFP, on the other hand, is used when the department has identified a need but does not know exactly how to fulfill it. An RFP asks suppliers to set out their approach – or methodology – towards addressing the departmental requirement. An example would be an RFP to survey Nunavummiut on proposed legislation. This work could be approached in a number of different ways. Therefore the evaluation of responses considers many factors – not just price – to determine the best value. This would include such considerations as methodology, experience, schedule, fees (or costs) and appropriate adjustments for local, Inuit and Nunavut content. The evaluation criteria and weighting must be specified in advance in the RFP and

#### Request for Tender

An RFT should be issued when the good or service needed to fulfill the departmental requirement can be clearly specified in advance.

<sup>6</sup> May also be referred to as an Invitation to Tender.



precisely followed in determining best value for Nunavummiut.

Each procurement method is used to meet a specific purpose and is therefore treated somewhat differently. Further, a RFT or RFP may also be issued on an invitational basis such that only known qualified suppliers are invited to respond or on a public basis which provides an opportunity for all suppliers (including new or unknown suppliers) to respond. Questions may be directed to Purchasing, Logistics & Contract Support Services.

## Request for Proposal

An RFP is best used when the departmental need is known but it is not immediately clear how it would best be fulfilled.

## REQUEST FOR INFORMATION & EXPRESSION OF INTEREST

At times a department may want to obtain information from the market to establish a list of qualified suppliers or to determine what types of goods or services may be available. This does not result in any commitment although the information gained may be relied upon later when issuing an RFT or RFP. The two methods commonly used are Request for Information (RFI) or Expression of Interest (EOI). Both are exploratory.

An RFI is often used when a department identifies a requirement and wants to see what, if anything, may exist in the market to address it. The RFI process will not necessarily result in a direct purchase but may lead to an RFT or RFP.

An EOI is used as an initial stage of a process that could lead to an RFT or RFP. The EOI asks interested suppliers to respond in writing to express their interest and ability to supply particular goods or services. In some situations, an EOI may be used to pre-qualify or short-list suppliers who are then invited to respond to a subsequent RFT or RFP.

The table on the following page provides a quick summary of the GN's contract policies and procedures. Specific questions may be directed to Purchasing, Logistics & Contract Support Services.

## Request for Information & Expression of Interest

An RFI and EOI are similar in that they are issued to obtain information from the market for future reference.



# PROCUREMENT METHODS & TOOLS

## PROCUREMENT SUMMARY

Requirement	Estimated Value	Method	Form	Contract
Goods	Under \$5,000	Sole source	By phone	LCA
	\$5,000 to \$25,000	Invitation	RFQ	PO
	Over \$25,000	Advertise	RFT	PO
Services (including consulting)	Under \$25,000	Invitation	RFP	SC
	Over \$25,000	Advertise	RFP	CS
Maintenance	Under \$5,000	Informal quotes	By phone	LCA / SC
	\$5,000 to \$100,000	Invitation	RFT	MC
	Over \$100,000	Advertise	RFT	MC
Construction	Under \$5,000	Informal quotes	By phone	LCA / SC
	\$5,000 to \$100,000	Invitation	RFT	MC
	Over \$100,000	Advertise	RFT	C
Architectural Engineering	Under \$5,000	Invitation	Letter	AE Short
	\$5,000 to \$100,000	Invitation	RFP	AE Long
Miscellaneous	\$5,000 to \$50,000		RFT	SC

*Note: Non-standard contracts greater than \$50,000 must undergo a legal review which CGS will coordinate with the GN's Department of Justice.*

## Legend

LCA	Local Contract Authority
PO	Purchase Order
SC	Service Contract
MC	Request for Tenders Construction or Services Contract – Minor Works
C	Construction Tender and Contract Document – Major Works
AE Short	Architectural / Engineering Agreement – Short Form
AE Long	Architectural / Engineering Agreement – Long Form
CS	Pro-Forma Agreement – Consultant Services



CGS is the GN's primary purchaser and, through its experienced buyers, has the in-house knowledge necessary to secure goods and services to meet the GN's requirements. This includes expertise in all procurement methods and tools (as outlined earlier in this Guide) as well as supplier relations, shipping considerations and overall logistics. A CGS buyer coordinates the overall procurement process upon receipt of a completed requisition order (RSN) from a GN department. At each stage, however, there are issues that are outside CGS' direct control which can lead to unanticipated delays. Therefore it is important that GN departments plan ahead and provide sufficient lead time for CGS to meet their procurement needs.

The amount of lead time depends on many factors. Most typically these include the type of good or service, availability, location and shipping method. Specialized or non-standard items can take longer to secure particularly if they must be manufactured or modified to meet specific GN requirements. For instance, mobile heavy equipment such as a fire truck could require as much as eight months' notice, whereas a stock item like a laser printer may be obtained within an eight week timeframe and, under ideal circumstances, possibly as little as three weeks. In each case, the CGS buyer must follow the same process to ensure the appropriate steps are taken when spending public money.

When fulfilling a departmental request, a CGS buyer will follow the following steps:

### *1. Process the RSN*

RSNs are actioned as received with the majority being processed within two weeks. While every effort is made to ensure a quicker turnaround, delays may be encountered where the RSN is not complete or specifications are unclear.

**Advance planning is critical to ensure sufficient lead time for CGS buyers to meet departmental requests.**



### **Essential Requirements**

- each RSN must be properly entered and authorized;
- specifications must be clear and complete.



## SUPPLY MANAGEMENT

### *2. Tendering*

There are established minimum periods for which a request for tender (or proposal) must remain open depending on the value of the requirement. Other considerations impacting the tender period include the method (invitational or advertised), type (good, service or construction) and particulars of the requirement. Overall, there must be sufficient time for suppliers to prepare an appropriate response.

### *3. Evaluation & Contract Award*

All submissions received by the deadline must be reviewed and evaluated according to established guidelines and criteria. Such criteria must be clearly identified well in advance of the deadline along with the relative weighting. The evaluation process also entails the application of adjustments for local, Inuit-owned and Nunavut-based businesses under the GN's NNI Policy. As presented earlier in this Guide, qualifying tenders are then awarded on the basis of lowest price; whereas proposals are awarded on the basis of best value.

The time needed to evaluate and award a contract may vary according to the complexity of the requirement, number of qualifying submissions and other considerations. This is addressed in more detail later.

**A contract is a “set of promises that can be enforced by a court”.**

**~ A Plain Language Guide to the Nunavut Land Claims Agreement.**

### *4. Manufacturing*

Any GN requirement that must be met through the manufacture or modification of goods is subject to the supplier's schedule. Advance planning is therefore critical particularly when delivery must be coordinated with sealift deadlines. CGS should be notified as early as possible to accommodate such requirements.

### *5. Transportation to Carrier & Marshalling*

Allowance must be made for transporting goods to a carrier for northern travel. Often there are additional cartage requirements to ensure safe transport. In the case of dangerous goods, there are specific handling, storage and documentation requirements.



Under existing arrangements, a minimum of ten days must be provided to marshal and consolidate regular goods for shipment. Special items may require additional time.

### *6. Northern Transportation & Delivery*

The two modes of transporting goods to Nunavut communities are sealift and air cargo.

While sealift remains the most economical means of transporting goods, it is not the most practical for meeting urgent requirements (e.g. emergency fuel supplies) or time-sensitive deliveries (e.g. live mealworms). Otherwise, sealift remains a significant means of supply for many Nunavut communities.

Each year, CGS sends out a notice of the cut-off dates for sealift so that departments can plan accordingly. Yet estimated sailing times to each community can be subject to unforeseen matters such as weather or mechanical delays. Even under ideal conditions, sealift can take several weeks.

Air cargo has become increasingly important to accommodate the needs of Nunavut's growing communities. The vast majority of passenger flights originating outside Nunavut have a cargo component. In addition, the major carriers also provide additional flights strictly for cargo. Regular flights fulfill essential requirements such as mail services and fresh produce and are critical for meeting ongoing requirements throughout the year across Nunavut.

Carriers can also reschedule the shipment of goods to address the relative priorities and critical needs of all its clients. As well, heightened need for passenger travel can limit the amount of cargo space on flights at any time. This can be especially difficult for those communities that do not have regular daily flights and therefore face further delays when cargo is deferred – or “bumped” – to address other priorities.



**Expensive but fast**



**Economical but slow**





## SUPPLY MANAGEMENT

It is also important to note that arrival in a community does not always mean that goods are readily available to the client department. At times, the sorting of cargo can be delayed at the arrival point due to increased loads such as through the holiday periods or due to logistics such as transporting goods from the ship to the high water mark. All this can take time which is often outside CGS' direct control.



To summarize, the procurement process to obtain a good or service to meet a well identified and approved requirement can take a few weeks to several months. Each department needs to consider its requirements well in advance and, whenever possible, early in the

fiscal year in which the expenditure is intended to be made. For special requirements, the planning horizon may even be longer. Departments should contact Purchasing, Logistics & Contract Support Services to obtain additional information to determine the appropriate lead time to address departmental requirements.



Just as there are procurement methods to suit specific requirements, there are also types of contracts which should be used for particular circumstances. These contracts are known as “standard contracts” as they contain terms and conditions which have been approved by the GN’s Department of Justice. Any changes to these approved terms and conditions may change the level of risk to the GN. Therefore non-standard contracts over \$50,000 must be referred to CGS’ Purchasing, Logistics & Contract Support Services. CGS will then coordinate a legal review to determine whether proposed revisions are acceptable. For instance, a supplier may not agree with the termination clause of a standard contract. In which case, any revision would need to be addressed with CGS directly.

At times, a standard contract may be revised to reflect additional requirements. As well, new standard contracts may be developed for use in meeting certain recurring needs. For instance, a service contract was initially considered non-standard. The service contract has been discussed within CGS’ Contract Support Services and subject to review by the Department of Justice. It is now considered a standard contract. CGS maintains all standard contracts and can provide advice as to their use.

As noted earlier on page 12, there are several standard contracts. Typically, these include:

- Service Contract;
- Request for Tenders Construction or Services Contract – Minor Works;
- Construction Tender and Contract Document – Major Works;
- Architectural / Engineering Agreement – Short Form;
- Architectural / Engineering Agreement – Long Form; and
- Pro-Forma Agreement – Consultant Services.

## Standard Contracts

CGS maintains all standard contract forms and coordinates the legal review of any proposed non-standard terms and conditions.





## STANDARD CONTRACTS

This is not an exhaustive list as other standard contracts may be under development but it represents the most commonly used contracts. Much of the differences between them relate to the complexity of the requirement which then impacts the level of detail that must be set out within the body of the contract. For instance, certain construction or architectural work may be addressed through phases or stages of work and this must be well documented in the contract. As well, larger complex projects are usually associated with more risk and therefore there may be more conditions imposed to ensure that the interests of both parties including the GN are protected. This can include such matters as the use of subcontractors, amount of liability insurance and warranties among others.

All contracting for the procurement of goods and services follow common law principles and are governed by the GN's authoritative framework. These are discussed in further detail under the *Authorities and Responsibilities* section of this Guide.

This is a brief overview of the contracts that the GN typically enters into with suppliers. However, it does not reflect the full breadth of contractual arrangements that may be encountered in the course of meeting GN needs. Departments can consult CGS at any time for further information and for assistance in identifying the relative risks and specific terms and conditions that may be appropriate to address particular situations. CGS' involvement should take place well in advance of any agreements being made and CGS experts can manage the contract process for GN departments upon request.

## SOLE SOURCING



Sole sourcing occurs when the GN contracts directly with a supplier without going to tender. As this practice restricts the competitive process, sole sourcing may only be considered under certain circumstances such as matters involving:

- great urgency and significance such that any delay may prove harmful to the public;
- limited availability such that only one credible supplier can fulfill the requirement; or
- restricted value such that the contract is less than \$5,000 for general goods and services or less than \$25,000 for architectural and engineering services.

In all cases, the Deputy Minister responsible must provide a recommendation with supporting rationale for entering into a contract on this basis. The recommendation is then subject to approval by the Deputy Minister of CGS. Any department that engages in sole sourcing must also report annually on its contracting practices in this regard. Reporting requirements are addressed later in this Guide. For further information, please contact Purchasing, Logistics & Contract Support Services.



## STANDARD OFFERS

The government may enter into a standing offer arrangement with a potential supplier to provide goods or services under specified terms and conditions including pricing. However, this does not form a contract until an order is placed against the “standing offer”. Such arrangements are often made to reduce delays in fulfilling repetitive orders for the same goods or well defined services.

In contrast, an “as and when” contract is a contractual arrangement with a supplier for a specific term and price. The GN typically enters into such contracts for maintenance services.

For further information, please contact Purchasing, Logistics & Contract Support Services.



All submissions received in advance of the closing deadline will be subject to a formal review process. An initial review is provided to determine whether a submission is both responsive and responsible. A submission is considered responsive if it substantially meets all the material requirements of the request for tender; while responsible refers to the tenderer's ability to reliably perform under the contract and to address the requirements with integrity. Only submissions that are assessed as both responsive and responsible will be provided further consideration.

Submissions in response to a request for proposal will then be evaluated against the criteria that were outlined in the request for proposal (RFP) document. Such criteria typically consider the breadth and depth of experience of the project team, the proposed fee structure and level of Inuit participation in the proposed work. Other factors may also be used but must be identified well in advance of the deadline for submissions along with the relative weighting of the criteria.

Submissions in response to a request for tender (RFT) are reviewed to determine whether they comply with the tender specifications. If not, they are rejected. Price should be the only factor that sets qualifying submissions apart.

**Responsive**  
is a term defined in the GN's Contract Regulations and indicates whether a tender meets all the material requirements of a RFT.

**Responsible**  
Is a term defined in the GN's Contract Regulations and refers to the tenderer's ability to perform reliably and address the requirements of the RFT.

## **NUNAVUMMI NANGMINIQAQTUNIK IKAJUUTI (NNI POLICY)**

The NNI Policy applies to all contracts with the exception of insurance, employment and emergency services. The Policy serves to encourage greater participation from Nunavut Business<sup>7</sup> and Inuit Firms<sup>7</sup>. An adjustment of 7% is applied for each of the three qualifying factors – specifically, Inuit owned, local and Nunavut based. The maximum adjustment is 21% and serves to reduce the bid price.

<sup>7</sup> As defined under NNI Policy



## CONTRACT AWARD

Contract award decisions are based on the adjusted bid price. In the case of a request for tender, the adjustment may result in the northern based supplier having the lowest bid and being awarded the contract. Therefore the NNI bid adjustments have real impacts and must be handled appropriately.

As a result of the 2003 comprehensive review of the NNI Policy, a recommendation was made to establish an NNI Secretariat to provide follow-up and training on the NNI Policy and to ensure consistency of application and reporting. The Secretariat can assist with questions you may have regarding the NNI Policy and its application. The NNI Secretariat also oversees the appeal process.

Overall the GN's contract policies including the NNI Policy are aimed at ensuring that practices are fair and decisions are sound. Should you have any questions, please contact Purchasing, Logistics & Contract Support Services.

# REPORTING REQUIREMENTS



Annual reporting of contract activities is consistent with the government's approach of transparency and openness for Nunavummiut and serves to promote greater accountability overall. At the same time, the GN also has a responsibility to respect the competitive interests of suppliers when addressing disclosure requirements and therefore must effectively balance these competing interests. The GN's reporting practices are also subject to legislation and, in particular, the *Access to Information & Protection of Privacy Act (ATIPPA)* which prevents the unauthorized collection, use or disclosure of personal information.

Each GN department has a duty to maintain accurate records and report its activities to CGS periodically. While CGS consolidates such information for tabling in the Legislative Assembly by its Minister, the responsibility to provide further detail still resides with the respective departments. To-date, public reporting of contract activities has been categorized by type and method and includes such details as the purpose, supplier, contract amount, department and community.

Complete, accurate and timely reporting is also essential for NNI monitoring which determines how successful the GN has been in meeting its commitments to enhance Inuit and northern participation in the Nunavut economy. This information is subject to regular review by the NTI working group and is the basis for conclusions in this regard.

Accurate recordkeeping and reporting are also necessary to meet audit requirements and to verify that contract activities were properly handled within the GN's legal and authoritative framework.

CGS has recently developed a new Contract Reporting Database (CRDB) to improve the ease and consistency of reporting overall. Further information will be provided by CGS once the CRDB is available for use by departments.

Questions regarding reporting requirements may be directed to Purchasing, Logistics & Contract Support Services.

## Accountability

"Accountability refers to the obligation to answer for procurement results and for the way that procurement responsibilities are delegated. Accountability, unlike responsibility, cannot be delegated."

~ A Guide Toward Developing Procurement Bylaws, Government of Ontario,



## LIST OF APPENDICES

### Authorities & Responsibilities

- Introduction

- Contract Law

- Government of Nunavut

- Nunavummi Nangminiqaqtunik Ikajuuti (NNI Policy)

- Contract Authorities

- Department of Community & Government Services

### Ethics

### Requirements

- GN Contract Regulations

- Nunavummi Nangminiqaqtunik Ikajuuti (NNI Policy)

- GN Contract Procedures Manual

### Contact List

### Common Terminology

# APPENDIX

## AUTHORITIES & RESPONSIBILITIES



### INTRODUCTION

The Government of Nunavut (GN) enters into contractual arrangements with suppliers in order to procure goods and services which are vital to the running of government operations and the provision of programs and services for Nunavummiut. This section provides an overview of the legal and authoritative framework in which these activities are carried out.

Contracting activities by the GN are guided by various formal and informal processes.

Formal processes include the application of the Nunavut Land Claim Agreement (NLCA), Nunavut Acts and regulations as well as Government of Nunavut policies. In addition,

some Federal legislation applies to all Nunavut contracts and must be observed whether or not it

is specifically referenced in the contract. Finally there is the body of Canadian common law which affects all contracting in Nunavut as it does in all of Canada with the exception of Quebec<sup>8</sup>.

### Common Law

is based on the decisions – or precedents – made in a court of law.

### CONTRACT LAW

Effective procurement in the public sector is a balance between the principles of fairness and transparency, business considerations, and obligations imposed by law. A completed procurement cycle results in a contractual agreement between the government and an outside party for the provision of goods and services in exchange for some form of consideration. Common law with respect to contracts applies to both the final agreement and the competitive processes that lead up to the final agreement<sup>9</sup>.

When contracting for goods and services, three essential elements are needed to ensure a legally binding contract. They are: parties, price and subject. In other words, it is critical that a contract clearly sets out who is supposed to do what and for how much. Any uncertainty may make the contract unenforceable.

<sup>8</sup> "Civil law is the legal system applicable in the province of Quebec for private law" (e.g. contract law), *Fundamentals of Contract Law: Negotiating and Drafting Major Business Agreements*, Purchasing Management Association of Canada, 2002.

<sup>9</sup> *Purchasing Handbook, A Guide to Acquiring Goods and Services*, Government of British Columbia, page 51.



## APPENDIX AUTHORITIES & RESPONSIBILITIES

- Parties:** This element refers to the fact that only legal entities – meaning individuals, partnerships, incorporated societies or companies – have the ability to enter into a contractual agreement with the GN. In the event of a dispute, a claim can not be made against a non-existent party. Therefore it is important to verify the legal form and name of the party before entering into a contract with an outside party.
- Price:** This element is generally well established between the parties but it is important to note that an agreement to determine the price at a later stage does not constitute a contract. Price is a key element of any contract and both parties must know what has been agreed in advance of any responsibilities under a contract being performed.
- Subject:** This element emphasizes the need to clearly identify expectations and requirements of the goods to be delivered or the services to be performed under the contract. All critical aspects including deadlines should be specified in the contract to ensure there is no uncertainty by either party.

Once the elements of parties, price and subject are established, a contract is binding and enforceable. However, disagreements can arise with any contractual agreement and terms which can not be resolved by the parties are usually settled by the courts on the basis of what is considered reasonable. Yet it is worth the effort to ensure each parties' intentions are well documented in the contract in order to minimize issues that may arise later.

### GOVERNMENT OF NUNAVUT

The Government of Nunavut (GN) was formed upon the creation of Nunavut under the *Nunavut Act*. The Federal legislation was enacted following the signing of the Nunavut Land Claims Agreement (NLCA) between the Government of Canada and the Inuit living within the Nunavut Settlement Area<sup>10</sup>. While respecting the intent and spirit of the NLCA, the Government of Nunavut was established as a public government representing all residents of Nunavut – or Nunavummiut.

<sup>10</sup> As the NLCA was signed before the territory of Nunavut came into existence, the area was referred to as the Nunavut Settlement Area within the agreement.

## APPENDIX AUTHORITIES & RESPONSIBILITIES



Upon the division of the Northwest Territories to form the new territory of Nunavut, all acts and regulations from the Government of the Northwest Territories were readily adopted and form a strong basis of the legislative framework that exists in Nunavut today.

The Financial Administration Act (FAA) is a critical piece of legislation as it controls the expenditures of public monies. Therefore contracts that are funded with GN monies must follow the provisions of the FAA and its accompanying regulations. The Financial Administration Manual (FAM) is a companion document to the FAA and comprises a series of directives which have been formally approved by the Financial Management Board in its capacity under the FAA. The Government Contract Regulations under the FAA are included in FAM under Directive 9904. This directive is a “must” read for all GN employees involved with contract activities.

Within the GN, the Department of Community and Government Services (CGS) plays a lead role by establishing contract procedures and providing related guidance to other departments. Such procedures are documented in the GN Contract Procedures Manual which CGS maintains. In addition, CGS is responsible for contracts involving the supply of goods, transportation services, communication services as well as construction contracts and real property leases. Questions concerning GN contracting activities may be directed to Purchasing, Logistics & Contract Support Services.

### **NUNAVUMMI NANGMINIQAQTUNIK IKAJUUTI (NNI POLICY)**

The Nunavut Land Claims Agreement identifies several obligations that were agreed between the Government of Canada and the Inuit as represented by Tungavik Federation of Nunavut<sup>11</sup>. Article 24 under the NLCA concerns government contracts and establishes that the government’s procurement policies will provide preference for qualified Inuit firms over other qualified businesses. Further, both the Inuit (as represented by Nunavut Tunngavik Incorporated “NTI”)

#### **Article 24**

**“This Article aims to help Inuit firms to get a fair share of contracts from Government.”**

**~ A Plain Language Guide to the Nunavut Land Claims Agreement**

<sup>11</sup> Now known as Nunavut Tunngavik Incorporated (NTI).



## APPENDIX AUTHORITIES & RESPONSIBILITIES

### Article 23

**“This Article sets up training to increase the number of Inuit working for Government.”**

**~ A Plain Language Guide to the Land Claims Agreement.**

and the GN will monitor the level of government contracts that Inuit contractors obtain and assess how well the incentive policy is working overall.

As a result of this commitment, the GN has developed Nunavut’s business incentive policy, Nunavummi Nangminiqaqtunik Ikajuuti (NNI Policy), in cooperation with NTI. The aim of the NNI Policy is to respect the letter and intent of the NLCA and ensure the following objectives:

- *Good value and fair competition* – securing goods and services for the GN at the best value through a contracting process that is clear, fair and equitable;
- *Strengthening the Nunavut Economy* – increasing the business sector capacity and employment;
- *Inuit Participation* – bringing the level of Inuit participation in the provision of goods and services to the GN to a level which is representative of the Nunavut population;
- *Nunavut Education and Training* – increasing the number of trained and skilled Nunavummiut at all levels of the workforce and business community to a level which is representative of the Nunavut population.

The NNI Policy is recognized as one of the GN’s tools for economic development given its intent to effect change in the Nunavut economy through government contracting. The Policy is applicable to all GN-funded contracts with the following exceptions: insurance, employment and emergency services

Following a comprehensive review of the NNI Policy in 2003, the GN acted on a recommendation to establish a unit to provide follow-up and training on the NNI Policy and ensure consistency in its application as well as appropriate reporting of required data. The NNI Secretariat under the Department of Economic Development and Transportation was created with a central goal “to maximize the

## APPENDIX AUTHORITIES & RESPONSIBILITIES



participation of Nunavut, Inuit and Community-Based (Local) Businesses in Government of Nunavut contracting”.

### **CONTRACT AUTHORITY**

The GN enters into contractual arrangements with suppliers in order to procure goods and services which are vital to the running of government operations and the provision of programs and services for Nunavummiut. Only those individuals who are “contract authorities” as defined under the Government Contract Regulations of the FAA have the power to bind the government contractually. This includes all GN Ministers and Deputy Ministers as well as any public officer who has been delegated such authority in a manner which is consistent with the Regulations. As well, the Executive Council (otherwise known as Cabinet) can, through its overriding authority, commit the government to a contractual agreement or provide such direction.

As contract authorities initiate expenditures by entering into contracts on behalf of the GN, a contract authority must also be identified as an expenditure officer under the FAA. It is important to note, however, that not all expenditure officers are contract authorities. For more information, please contact Purchasing, Logistics & Contract Support Services.

The following table summarizes the Contract Authorities within the Government of Nunavut as identified under the Government Contract Regulations (FAM Directive 9904). In particular, the following Ministers and Deputy Ministers have been identified as Contract Authorities. Through their respective departments, Contract Authorities fulfill the GN’s requirements for specific goods and services (as noted below). Ministers and Deputy Ministers may also delegate this responsibility to a public officer. Of note, Cabinet may also enter into any contract directly or may instruct a public officer to do so in view of Cabinet’s overriding authority.



## APPENDIX AUTHORITIES & RESPONSIBILITIES

<b>MINISTER / DEPUTY MINISTER OF</b>	<b>GOODS / SERVICES</b>
Cabinet / Department of Justice	Legal Services
Department of Finance	Insurance Services
Department of Community & Government Services	Goods Transportation Services Computer Services Communication Services Construction Services Property Services including Real Property Leases and Facilities Maintenance
<i>Note: CGS has a lead role in procurement and contract activities for the GN</i>	
Department of Economic Development & Transportation	Transportation Infrastructure
Department of Human Resources	Employment Contracts
Other GN departments	May enter into a contract to meet departmental requirements except where the responsibility for handling such requirements has been specifically assigned elsewhere. In all cases, it is highly recommended that GN departments consult with CGS in advance of issuing a tender or RFP.
<b>SPEAKER OF THE LEGISLATIVE ASSEMBLY</b>	<b>GOODS / SERVICES</b>
Office of the Legislative Assembly	May enter into a contract to meet the Office's requirements without regard to the assignments noted above.

## APPENDIX AUTHORITIES & RESPONSIBILITIES



### Additional Notes<sup>12</sup>:

#### 1) Local Contract Authority

A GN department may use a Local Contract Authority (LCA) to purchase goods and services within Nunavut providing the goods and services:

- do not exceed a value of \$5,000 (including GST), and
- do not fall under another department's authority to supply, and
- do not require a detailed description (such as an agreement to provide services).

#### 2) Multi-Year Contracts

If a contract is to exceed the current fiscal year, the Minister must consider conditions in s. 44(2) of the FAA.

#### 3) Guarantees and Indemnities

No person shall make a guarantee or indemnity for or on behalf of the Government unless authorized by an enactment to do so as per s. 66 of the FAA. Indemnities under \$500,000 are provided under s. 67.1 of the FAA.

#### 4) Required Clauses

- a) Each contract must contain the following standard clause as per s. 46 of the FAA as set out in FAM Directive 808, s. 4.2

*"In compliance with Section 46 of the Northwest Territories Financial Administration Act, it is a statutory condition of this contract that 'an expenditure pursuant to the contract will be incurred only if there is a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required under the contract.'"*

- b) Each contract must also include the standard indemnification and insurance clauses as per FAM Directive 808, Appendix B. These clauses serve to protect the GN, its officers, employees and agents from any claims and actions resulting from the

<sup>12</sup> Please note that references to the Financial Administration Act (FAA) and the Financial Administration Manual (FAM) are accessible by Government of Nunavut employees through the Department of Finance intranet <http://finance/>.



## APPENDIX AUTHORITIES & RESPONSIBILITIES

activities under a contractual agreement with the GN; whereas the insurance provisions ensures that the contractor maintains sufficient coverage while carrying out such activities and ranges from WCB coverage to comprehensive general liability coverage.

5) Non-Standard Contracts

All non-standard contracts exceeding \$50,000 must be reviewed by the Department of Justice.

### DEPARTMENT OF COMMUNITY & GOVERNMENT SERVICES

#### MANDATE

The Department of Community & Government Services (CGS) has a broad mandate which includes:

- *Community Support & Municipal Transfer Payments* – Through the delivery of programs and services, provision of funding as well as development and training of municipal employees to enhance each community's capacity to effectively deliver municipal services;.
- *Government Services & Technical Expertise* – Through the handling of procurement, contracts, records and property management as well as IT and IM support for all departments and the provision of technical services for capital construction and asset management.
- *Protection Services & Safeguards* – Through the coordination of emergency services, management of emergency preparedness and related training as well as conducting electrical and mechanical inspections across the territory.

## APPENDIX AUTHORITIES & RESPONSIBILITIES



### **PURCHASING, LOGISTICS & CONTRACT SUPPORT SERVICES**

Within this set of responsibilities, CGS plays a **lead role** in meeting the GN's requirements for goods and services to support government operations and deliver programs and services for Nunavummiut.

CGS is recognized as a **contract authority** for securing goods and specific services. Through its internal expertise, CGS also works with other GN departments in providing advice and guidance as appropriate to assist in meeting their needs.

Services offered by CGS' **Purchasing, Logistics & Contract Support Services** include:

- Technical advice concerning the application of GN regulations and policies;
- Coordination with Department of Justice to obtain legal reviews and opinions concerning contract law;
- Management of the procurement process for a wide range of goods and services (including sealift logistical support services);
- Handling of tenders and proposals for GN departments and/or assistance as required;
- Active GN liaison with NNI Secretariat and participation on the NNI working group;
- Provision of guidance and support to GN departments with respect to proposal evaluations and bid adjustments;
- Centralized reporting on the GN's contracting and procurement activities;
- Workshops and presentations including training and development;
- Setting of the GN's protocol, procedures and practices with respect to procurement and contracting;
- Logistics and management of sealift operations for the GN.



## APPENDIX ETHICS

### **Pijitsirniq: The Concept of Serving**

In carrying out their responsibilities all GN staff will endeavour to serve each other and the community at large to the best of their abilities.

~Pinasuaqtavut, 2005.

New and existing employees of the Government of Nunavut (GN) are considered public officers<sup>13</sup>. Together, they form the public service<sup>14</sup>. All public officers share an overriding responsibility to uphold and serve the public's interest while carrying out their respective roles. This commitment is fundamental to public service. Yet the principle of serving and commitment to the common good is also rooted in traditional Inuit knowledge – *Inuit Qaujimajatuqangit* – and is known as *Pijitsirarniq*.

To serve the public's interest means conducting all activities in a manner that is fair, honest and objective. Each jurisdiction has its own approach – either informally or formally - to support such conduct. In Nunavut, Inuit societal

values are embodied in the principles of *Inuit Qaujimajatuqangit* and provide guidance. Additionally, Ministers are held accountable under the *Integrity Act* and public servants are subject to a *Code of Conduct* policy. The obligations under each bear similarity and are based on recognized public sector ethics and values of fairness, honesty, probity<sup>15</sup>, integrity and fidelity to the public trust<sup>16</sup>.

The duties which are commonly found in such legislation or policies include:

- 1.) *Safeguarding confidential information* – ensuring that information which is unavailable to the general public is not used or disclosed in a way that may benefit a public officer's own benefit or that of another person over the public interest. Restrictions on personal use of confidential information often continue after the public officer leaves his or her role.

<sup>13</sup> As defined in Nunavut's *Financial Administration Act* and includes Ministers, Commissioners, the Clerk of the Legislative Assembly and agents operating on behalf of the Government.

<sup>14</sup> The Public Service is formally defined in the *Public Service Act (Nunavut)* which also identifies certain exceptions.

<sup>15</sup> "The dictionary meaning of probity refers to uprightness, honesty, proper and ethical conduct and propriety in dealings. Within Government, the word 'probity' is often used in a general sense to mean 'good process'." From the *Victorian Government Purchasing Board: Probity Best Practice Advice*.

<sup>16</sup> From Chapter 9 "Modernizing Accountability in the Public Sector", *2002 Auditor General Report of Canada*, p. 6.



2.) *Avoiding real or perceived conflicts* – ensuring that a public official remains free of real, perceived or potential conflicts while carrying out his or her duties. A public officer has a duty to act impartially and therefore should not accept gifts, give preferential treatment, or act in a manner which may provide a personal benefit<sup>17</sup>. A public officer also has a duty to ensure that outside activities do not cause a conflict with official duties nor benefit through the use of confidential information gained through his or her official capacity. Where conflicts can not be avoided, it is the responsibility of the public officer to bring forward such matters for review at the appropriate level.

3.) *Operating in compliance with laws and authorities* – ensuring that official duties are conducted in accordance with applicable laws and within delegated levels of authority.

Together, these duties represent essential expectations for Nunavut's public service and its conduct in serving the interests of Nunavummiut.

### Conflict of Interest

"A conflict of interest occurs when an Employee's personal life or financial interest are in conflict, or are perceived to be in conflict, with the Employee's official duties."

~ GN Code of Conduct

<sup>17</sup> A personal benefit includes benefits which may directly benefit accrue to a public officer's immediate family.



## APPENDIX FORMAL REQUIREMENTS

### GOVERNMENT CONTRACT REGULATIONS

The following table summarizes the formal requirements as set out under the GN's Contract Regulations when issuing a request for tender or request for proposal.

#### GOVERNMENT CONTRACT REGULATIONS\* (FAM Directive 9904)

*\*not applicable to employment contracts*

CONTRACT VALUE	REQUIREMENT
Greater than \$25,000 for architectural or engineering services	Must issue an invitation to tender before entering into a contract, <i>except</i> a where proposal is deemed more appropriate. CGS Procurement will assist in determining the most appropriate contracting method.
Greater than \$5,000 for any other type of contract	in determining the most appropriate contracting method.
Less than the above-noted thresholds	Do not have to be competitively tendered.
All RFTs	Shall formally specify: <ul style="list-style-type: none"><li>- address</li><li>- deadline (date &amp; hour)</li><li>- security (if any).</li></ul>
All RFPs	Shall formally express the criteria to be used when evaluating the proposal.

## APPENDIX FORMAL REQUIREMENTS



### NUNAVUMMI NANGMINIQAQTUNIK IKAJUUTI (NNI POLICY)

The following table summarizes the formal requirements as set out under the Nunavummi Nangminiqatunik Ikajuuti (NNI Policy) when issuing a request for tender or request for proposal.

#### NNI POLICY\*

*\* not applicable to contracts for insurance, employment or emergency service*

CONTRACT VALUE	REQUIREMENT
Any and all	Where sufficient competition exists in Nunavut, being three or more qualified businesses, invitational tenders or proposals should be issued only to Nunavut businesses
Tenders and RFPs with labour components greater than \$300,000 (or \$250,000 for maintenance contracts)	Must include a requirement for a training plan for Inuit workers
All Tenders	Shall contain a provision that requires a general contractor to invite Nunavut, Inuit or local companies to bid on any subcontracts that will be entered into subsequent to the award of the main contract.
All RFPs	Must include evaluation criteria with minimum Inuit content values of 10% for Inuit employment and 5% for Inuit ownership.



## APPENDIX FORMAL REQUIREMENTS

### CONTRACT PROCEDURES MANUAL

The following table summarizes the formal requirements as set out under the GN's Contract Manual when issuing a request for tender or request for proposal.

CONTRACT VALUE	REQUIREMENT
Greater than \$25,000 (goods & services)	Must go out for "public tender"
Greater than \$100,000 (construction)	(Sometimes referred to as "invitational tenders" outside NU; whereas "invitational tenders" within NU are referred to as "solicited tenders" elsewhere).
Any and all <i>(Applies to contracts for the supply of goods, construction, professional other services and leases. Para 6.1.2)</i>	Must issue an invitation for tender by public advertisement or private invitation (para. 6.2) Tenders must include the and following phrase:  <i>"For the purpose of this tender, the provisions of the Nunavut Land Claim Agreement apply."</i>
Greater than \$50,000 and non-standard	The contract document must be approved by the Department of Justice

## APPENDIX FORMAL REQUIREMENTS



CONTRACT VALUE	REQUIREMENT
Less than \$25,000	<i>If publicly advertised, then:</i> Minimum tender period is at the discretion of the buyer and should allow sufficient time for suppliers to respond
\$25,000 or greater	Minimum tender period is 15 calendar days
Greater than \$25,000	<i>Faxed tenders acceptable if approved in advance by:</i> Regional Superintendent or Director
Greater than \$100,000 less than \$300,000	Assistant Deputy Minister
Greater than \$300,000	Deputy Minister



## APPENDIX FORMAL REQUIREMENTS

CONTRACT VALUE	REQUIREMENT
Greater than \$5,000	<i>Notification</i> Post on Tender Notification Listing
Greater than \$25,000 less than \$100,000 Non-construction	Advertise once in each selected NU newspaper and post on Tender Notification Listing
\$100,000 or greater	Advertise twice in each selected NU newspaper and post on Tender Notification Listing
Any and all	Post in all hamlet or settlement offices and tender opening locations
Greater than \$5,000 and construction	Send notice to NU Construction Association
Less than \$25,000	Can not invite tenders from non-Nunavut businesses if there are 3 or more available to perform

## APPENDIX FORMAL REQUIREMENTS



CONTRACT VALUE	REQUIREMENT
Greater than \$5,000	<i>Construction</i> Must be tendered
Less than \$100,000 Minor Project	Tender via "Request for Tender – Construction and Services Contract"
Greater than \$100,000	Tender via "Request for Tender – Construction and Services Contract"
Greater than \$5,000	<i>Services (Non-Consulting)</i> Must be tendered; use "Request for Tenders – Goods"
Greater than \$5,000	Tenders must be opened in public if publicly advertised



## APPENDIX CONTACT LIST

Manager, Purchasing, Logistics & Contract Support Services  
Department of Community & Government Services  
(867) 975-5427 Direct

Executive Coordinator  
NNI Secretariat  
Department of Economic Development & Transportation  
(867) 975-7800 Main Line

Manager, Access to Information & Privacy  
Department of Executive & Intergovernmental Affairs  
(867) 975-6000 Main Line

Manager, Policy & Planning  
Department of Human Resources  
(867) 975-6206 Direct

Manager, Risk Management  
Department of Finance  
(867) 975-5809 Direct

Director, Legal & Constitutional Law  
Department of Justice  
(867) 975-6320 Direct

## APPENDIX COMMON TERMINOLOGY



### **Article 23**

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

### **Article 24**

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

### **Award**

The notification to a bidder or tenderer of acceptance of a bid or tender which brings a contract into existence.

### **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 the NNI Policy. The bid adjustment is used for bid evaluation purposes only. The bid price minus the bid adjustment is referred to as the adjusted price.

### **Bidder**

An individual, partnership, corporation, society or co-operative who submits a bid.

### **Consultant**

A business or individual that provides professional advice and services.



## APPENDIX COMMON TERMINOLOGY

### **Contract**

A written agreement between a contract authority and another party to provide goods, perform services, construct public works, or lease real property for consideration.

### **Contract Authority**

A Government of Nunavut Minister, Deputy Minister or a public officer with the duties and authorities set out in the Financial Administration Act and accompanying Regulations.

### **Contractor**

A corporation, partnership or individual that has been awarded a contract for the execution of work or services under a contract.

### **Expression of Interest (EOI)**

Publicly advertised notice intended to solicit interest from a targeted business community with the purpose of establishing a list of qualified contractors that may be privately invited to submit tenders or proposals for a particular purpose.

### **Goods Contract**

A contract for the purchase of articles, commodities, equipment, goods, materials or supplies which may include installation.

### **Local Contract Authority**

A duty assigned to an employee which, under the employee's signing authority and using the prescribed form, allows the employee to obtain goods and services to a maximum value (typically \$5,000).

### **Nunavummi Nangminiaqtunik Ikajuuti (NNI Policy)**

The formal name of the government's business incentive policy which means "Assistance for Nunavut Businesses"

## APPENDIX COMMON TERMINOLOGY



### **Nunavut Land Claims Agreement (NCLA)**

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.

### **Nunavut Tunngavik Incorporated (NTI)**

The corporation registered under the Canada Corporations Act and the Inuit party to the Nunavut Land Claims Agreement.

### **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. Should not be confused with a bid/tender as a proposal is not an offer.

### **Request for Information (RFI)**

A document which identifies a requirement and requests suppliers to provide information on goods and services they offer which may be suitable to fulfill it. An RFI does not result in an obligation on either party but may lead to an RFT or RFP.

### **Request for Tender (RFT)**

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. Sometimes referred to as an Invitation to Tender.

### **Request for Proposal (RFP)**

A document inviting businesses 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 criteria including price.



## APPENDIX COMMON TERMINOLOGY

### **Responsible**

Means, in relation to a proposer or a tenderer, the capability in all respects to perform fully the contract requirements and the integrity and reliability to ensure performance of the contract obligations.

### **Responsive**

Means, in relation to a tenderer, that the person has submitted a tender that conforms in all material respects to the invitation to tender.

### **Standing Offer Agreement**

A method of supply used to provide direct access to sources of supply for goods and/or services on-demand for specific periods of time at prearranged prices and delivery conditions.

### **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 tenders.

### **Tenderer**

A person, partnership or corporation who submits a tender.