



Table of Contents

Purpose.....	Page 1
Table of Contents.....	Page 2
1. Applying the Nunavut Adjustment.....	Page 3
2. Applying the Inuit Adjustment.....	Page 3
3. Applying the Local Adjustment.....	Page 4
3.1 “Non-Local” Local Adjustment.....	Page 4
3.2 Subject Community or Communities.....	Page 4
4. Checking Nunavut, Inuit and Local Status.....	Page 5
5. Evaluating Nunavut, Inuit and Local Payroll/Labour.....	Page 5
6. Enquiries.....	Page 7
Appendices	
Appendix A – NNI Application Examples	
Example 1: General Services RFP.....	Page 8
Example 2: Goods Tender.....	Page 12
Example 3: Mixed Goods & Services RFP.....	Page 13
Appendix B – Evaluation of Inuit Content in Proposals.....	Page 16

1. Applying the Nunavut Adjustment:

Services: This applies to Tenders and RFPs for the provision of Services only and does not include the supply of Goods. For a company to get the 7% Nunavut adjustment for Services, they need to have been approved and listed on the GN's Nunavut Business Registry (NNI Registry) at least two (2) weeks prior to the Tender/RFP closing date. It does not matter what type of service the company is listed for; the adjustment is given if they are on the list. The bid adjustment cap does not apply⁴.

Goods: This applies to Tenders and RFPs for the Supply of Goods only including Goods which may require some installation work⁵. For a business to get the 7% Nunavut adjustment for Goods/Materials, they need to have been approved and listed on the NNI Registry for supply of the applicable type of goods/materials at least two (2) weeks prior to the Tender/RFP closing date. The NNI Registry commodity listing type must state "Good" rather than "Service", and the type of good listed must be the same type the bidder is offering or listed for in the bid. The bid adjustment applies only to the first \$100,000 of bid prices⁶ (bid adjustment cap).

Mixed Goods and Services: This applies to Tenders and RFPs where a substantial supply of Goods/Materials are required, and a substantial amount of labour is required to create the finished product, i.e., Design/Build or Manufacture/Construct and Install/Deliver contracts. The Services part of the bid is subject to the 'Services' application procedure provided above and the Goods part of the bid is subject to the "Goods" application procedure provided above, but the bid adjustment cap does not apply.

2. Applying the Inuit Adjustment:

For a company to get the 7% Inuit adjustment for Services and Goods, they need only to be approved by NTI as an Inuit Firm. It does not matter what type of services or goods the company is listed for, and there is no requirement for an Inuit Firm to be an approved supplier. Also, since there is no deadline for approval prior to the Tender/RFP Closing Date, a firm may be approved prior to closing and entitled to receive the Inuit adjustment, but they might not yet be listed on the Inuit Firms website.

3. Applying the Local Adjustment:

The Local adjustment is an extra 7% in addition to the Nunavut and or Inuit adjustments.

Nunavut Local – Services: For a Nunavut Business to receive the Local adjustment (additional 7%) for Services, the business must first be included on the NNI Registry at least 2 weeks prior to the Tender/RFP closing date, and they must also be located in the Subject Community⁷ (where the Services are required).

⁴ NNI Policy, s. 11.1(d)(iii)

⁵ NNI Policy Appendix "A" – Definitions – page 2 of 6 – "Goods"

⁶ NNI Policy, s.11.1(d)(iii)

⁷ NNI Policy Definitions Appendix, page 6 of 6 – "Subject Community"

Nunavut Local – Goods: For a Nunavut Business to receive the Local adjustment (additional 7%) for Goods, the business must be an approved supplier of the commodity as described in 1 above, and they must also be based in the community where the Goods are required (Subject Community)⁸.

Inuit Local – Services and Goods: For an Inuit Firm to receive the additional 7% Local adjustment, the company must first be approved by NTI, and they must also be located in the Subject Community where the Services, Goods or Construction is required. There is no requirement for to the company to be an approved supplier of specific goods or services. Also, since there is no deadline for approval prior to the Tender/RFP Closing Date, a company may be approved and eligible for the Inuit Local adjustment even though they might not yet be listed on the Inuit Firms website.

“Non-Local” Local: In some cases the Local adjustment can be given to bidders that are not located in the “Subject Community”⁹. Nunavut based bidders that are not located in the Subject Community are eligible for the Local adjustment only if the GN hasn’t received any bids from any businesses located in the Subject Community. This means that if there are no bids from any local companies, then NNI Policy s11.1(g)(i) and (ii) apply. Businesses that would qualify for the adjustment if the Subject Community was their own home community get the adjustment. However, businesses that do not qualify for the Nunavut adjustment or the Inuit adjustment do not qualify for the Local adjustment in either case (ss.11.1(f) or 11.1.(g)).

Nunavut as “Subject Community”: For greater clarity, where the Subject Community is Nunavut, meaning all communities are benefitting from the contract rather than a single specific community, the Local adjustment does not apply. For the Local adjustment to apply, the Contract Authority must identify in the Tender/RFP document each community that will qualify for Local adjustments under the Subject Community definition.¹⁰

4. Checking Nunavut, Inuit and Local Status

The GN’s NNI Registry is a separate listing from the NTI Inuit Firms Registry.

Nunavut status is checked by using the GN's NNI Registry. Inuit status is checked by using the NTI Inuit Firms website listing or by follow-up phone call to NTI if the company is not on the website and has not submitted a current Inuit Firm Certificate with the bid¹¹.

There is no registry for Local status. A company must meet the requirements of Section 3 above in order to get the Local adjustment.

⁸ NNI Policy Definitions Appendix, page 6 of 6 – “Subject Community”

⁹ NNI Policy – ss.11.1 (g)(i) & 11.1 (g)(ii)

¹⁰ NNI Policy Definitions Appendix, page 6 of 6 – “Subject Community” sub-section 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”. For greater clarity, the same is required for RFPs.

¹¹ NNI Policy Definitions Appendix, page 2 of 6 – “Inuit Firm” sub-section iv “able to present evidence of inclusion on NTI’s Inuit Firms Registry.” Note: The GN will not require Inuit Firm Certificates as a mandatory requirement with bids, however, bidders will be encouraged to submit them.

Nunavut: Verify Nunavut status by using the GN website www.nni.gov.nu.ca/search. If the company is on the list, follow the instructions in Sections 1 and 3 above. However, if the company is not on the list, contact the NNI Secretariat at 1-888-975-5999 to verify the company's status before giving or denying the adjustment. Ensure you receive direction in writing and maintain it on the bid evaluation file.

Inuit: Verify the Inuit status of a company by using the NTI website www.inuitfirm.com. However, if the company is on the list, follow the instructions in Sections 2 and 3 above. If the company is not on the list, and a current Inuit Firm Certificate was not submitted with the bid, contact the NTI Economic and Business Development Department at (867) 975-4966 to verify the company's status before giving or denying the adjustment. Because there is no deadline for approval prior to closing, a company may be approved and eligible for the adjustment(s), but might not yet be listed on the Inuit Firm website. Request a fax copy of the approval certificate, or obtain direction in writing, and maintain it on the bid evaluation file.

5. Evaluating Nunavut, Inuit and Local Payroll/Labour

All companies, whether the General or Prime Contractor, or Sub-Contractors, are entitled to Nunavut, Inuit and Local adjustments for the workers they propose to carry out obligations under the contract¹².

Generally speaking materials, transportation and accommodations have their associated labour costs included in the supply cost so labour breakdowns associated with these components are not usually provided. Those components will have their full supply cost adjusted by the applicable Nunavut, Inuit and Local status adjustment outside of the payroll analysis.

Construction and Maintenance: The names of the workers aren't required at the time of bidding in order to receive adjustments but bidders must submit Nunavut, Inuit and Local payroll estimates in order to receive the bid adjustments¹³. The total Inuit labour amount will only be adjusted by the minimum requirement set out in the Tender document¹⁴.

On contract award, the successful bidder must submit the names of all persons working on the job site in order to receive 1st payment; and for contracts involving maintenance of government assets, the names of the workers and their trade certifications are required with the bid for the purposes of determining if the bidder is responsible¹⁵.

Typically construction and maintenance contracts contain a mandatory requirement for Inuit Labour¹⁶. In that situation the Contractors must pay a certain percentage of the total payroll dollars to Inuit workers over the course of the contract. The Owner sets the mandatory requirement and the Contractor must achieve or exceed this amount.

¹² NNI Policy, ss.11.1(d)(iii)

¹³ NNI Policy, ss. 11.1(d) and s.11.1(d)(i)

¹⁴ NNI Policy, ss.11.1(d)(i)

¹⁵ NNI Policy, s.11.1(a)

¹⁶ NNI Policy, ss. 12.1(a) and (b) assume that the Contracting Authority sets minimum threshold requirements for construction contracts; CGS is the Contracting Authority for Construction

If the Contractor fails to achieve the requirement, then they are subject to a Penalty¹⁷. If they exceed the requirement, then they are entitled to a Bonus¹⁸. If they achieve the requirement without exceeding it, then there is neither a Bonus nor a Penalty.

Goods, Air Charters and General Services: Payroll information is not requested. The labour cost is built into the commodity supply price and the bid adjustment is given on the full value of the bid based on the bidder's Nunavut, Inuit and Local status.

Consultant Services: The names and locations of project team members and the dollar amounts associated with their activities on the contract must be provided in the proposal in order for the Owner to calculate adjustments. If this information is not provided, the Owner will not be able to calculate bid adjustments for labour. There is no limit on adjustments since there is no mandatory minimum threshold set out in the RFP. The Contract Authority is free to set a mandatory minimum Inuit Labour Requirement in the RFP and apply the NNI Bonus and Penalty clauses within the contract¹⁹ if it wishes to do so.

The various levels of payroll adjustment combinations depend on the residency of the workers and are set out as follows:

Nunavut: Non-Inuit people who live and work in Nunavut but not in the Subject Community: 7%

Nunavut Local: Non-Inuit people who live and work in Nunavut in the Subject Community: 14%

Inuit: Nunavut Land Claims Beneficiaries who do not live and work in Nunavut: 7%

Inuit Nunavut: Beneficiaries who live and work in Nunavut but not the Subject Community: 14%

Inuit Local: Beneficiaries who live and work in Nunavut in the Subject Community: 21%

In order to qualify for the Nunavut and Local adjustments, workers (including Inuit) must meet the Nunavut residency requirements set out in the NNI Policy definitions for Nunavut Resident²⁰ and Local Resident²¹. For Local to apply, the worker in question must be a resident of the "Subject Community" identified in the Tender/RFP documents. For the Inuit adjustment to apply, the worker must be a Nunavut Land Claims beneficiary and be included in the Inuit Enrolment List.²²

Please refer to Examples 1 and 3 to see how NNI adjustments are applied to the payroll components of bids.

Note 1: For greater clarity, where the "Subject Community" is "Nunavut" and not a specific community, the Local adjustment will not apply to the labour portion of workers resident in a particular community.

¹⁷ NNI Policy, s.12.1(b), s.12.1(f) and s.12.1(h)

¹⁸ NNI Policy, s.12.1(a), s.12.1(e) and s.12.1(h)

¹⁹ NNI Policy, ss.12.2

²⁰ NNI Policy Appendix "A" – Definitions – page 4 of 6 – "Nunavut Resident"

²¹ NNI Policy Appendix "A" – Definitions – page 3 of 6 – "Local Resident"

²² NNI Policy Appendix "A" – Definitions – page 2 of 6 – "Inuit (singular: Inuk)" and "Inuit Enrolment List"

Note 2: For greater clarity, the adjustments are only applied to the clearly identified payroll and labour portions of the bid. In order to receive bids that have clearly separated the labour from the materials and other services components, such as transportation and accommodations, the Owner should provide bid forms in Tender/RFP documents. If bid forms are not provided, the Owner may not be able to properly analyze payroll and apply any payroll or labour adjustments permitted by the NNI policy. For Tenders, the GN's B and B-2 appendices for major and minor works construction, maintenance and services are recommended. For RFPs, the GN's NNI Incentives Application Form is recommended. These and other NNI implementation templates are available from CGS Purchasing, Logistics and Contract Support.

6. Enquiries:

Should you have any other questions about the NNI Policy, please contact the NNI Policy Secretariat at (867) 975 – 7835 or the CGS Purchasing, Logistics & Contract Support office at (867) 975 – 5415 or 5427.

Ron Dewar, EDT NNI Secretariat – Executive Director
Mark McCulloch, CGS Purchasing, Logistics & Contract Support – Manager
Brad Hicke, NTI Economic & Business Development Department – Manager

Appendix A – NNI Application Examples – Page 8 of 17

EXAMPLE 1: SERVICES (i.e., Consulting, Research & Report Writing, etc.)

This scenario is for a solution of Services where a small amount of goods may be required to deliver the service, however, the amount of goods is not substantial. Instead, a substantial amount of labour is required to complete the contract and the costs for any materials necessary for delivering the service are ancillary²³ and, therefore, included in the Contractor's Administration or General Expenses line item in the bid. Three companies submitted bids.

Step 1: Determine Allowable NNI Adjustments

<u>Company A</u>		<u>Nunavut, Local</u>	
<u>Line Item</u>	<u>NNI Status</u>	<u>Bid Prices</u>	<u>Allowable Adjustments</u>
'Own Forces' Labour	Nunavut, Local	\$ 25,000	14%
'Own Forces' Labour	Inuit, Local	\$ 20,000	21% (Local Inuit are Nunavummiut)
'Own Forces' Admin	Nunavut, Local	\$ 25,000	14%
Sub-Contractor	Not-Inuit, Not-Nunavut	\$ 30,000	0% (Alberta)
Sub-Contractor's Labour	Other	\$ 10,000	0% (Alberta)
Total Bid Price of Company A		\$ 110,000	
<u>Company B</u>		<u>Nunavut, Inuit & Local</u>	
<u>Line Item</u>	<u>NNI Status</u>	<u>Bid Prices</u>	<u>Allowable Adjustments</u>
'Own Forces' Labour	Nunavut, Local	\$ 40,000	14% (Employees are not Inuit)
'Own Forces' Admin	Nunavut, Inuit, Local	\$ 20,000	21% (Local Inuit are Nunavummiut)
Sub-Contractor	Other	\$ 30,000	0% (Ontario)
Sub-Contractor's Labour	Other	\$ 10,000	0% (Ontario)
Total Bid Price of Company B		\$ 100,000	
<u>Company C</u>		<u>Inuit, Local</u>	
<u>Line Item</u>	<u>NNI Status</u>	<u>Bid Prices</u>	<u>Allowable Adjustments</u>
'Own Forces' Labour	Inuit, Local	\$ 30,000	21% (Local Inuit are Nunavummiut)
'Own Forces' Labour	Nunavut, Local	\$ 10,000	14%
'Own Forces' Admin	Inuit, Local	\$ 10,000	14%
Sub-Contractor	Inuit, Nunavut, Local	\$ 40,000	21%
Sub-Contractor's Labour	Inuit, Local	\$ 25,000	21% (Local Inuit are Nunavummiut)
Total Bid Price of Company C		\$ 115,000	

²³ Minor, subsidiary, supporting.

Appendix A – NNI Application Examples – Page 9 of 17

Example 1 Cont'd:

Step 2: Calculate Allowable NNI Adjustments to Determine NNI Adjusted Bid Price

Company A (Nunavut, Local): Total Unadjusted Price of Contract A. \$ 110,000.00

I. Value of Labour / Work to be completed by the Contractor or Sub-Contractors. Bidder must have provided Name(s), Residency and Dollar Values for worker(s) in their bid. To calculate the adjustments multiply the Value of Labour by the Total Adjustment Percentage factor.

Labour/Payroll Breakdown Table							
Worker Name, & Residency and Role on the Team	Value of Labour (\$)	Nunavut Resident 7%	Inuit Resident 7%	Local Resident 7%	Other Resident 0%	Total Adjustment (%)	Value of Adjustment (\$ x %)
Company A Labour is Nunavut & Local	\$25,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14%	\$ 3,500
Company A also has Local Inuit Labour <i>Local Inuit are considered Nunavummiut</i>	\$20,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	21%	\$ 4,200
Sub-Contractor's Labour <i>(not Inuit or Nunavut)</i>	\$10,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0%	\$ 0.00

Total Value of Adjustments on Labour B. \$ 7,700

II. Value of Services to be provided by the Contractor and Sub-Contractors. Bidder must have provided all 'Own Forces' amounts and Name(s) and Dollar Values of all intended Sub-Contractors in their bid. To calculate the adjustments, multiply the Value of Services by the Total Adjustment Percentage factor.

Fees/Price Breakdown							
Contractor Name & Location and Line Item Sub-Total	Value of Services (\$)	Nunavut Businesses 7%	Inuit Firm 7%	Local 7%	Other Business 0%	Total Adjustment %	Value of Adjustment (\$ x %)
Company A Admin (Nunavut & Local)	\$25,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14%	\$ 3,500
Sub-Contractor General Services <i>(not Inuit or Nunavut)</i>	\$30,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0%	\$ 0.00

Total Value of Adjustments on Sub-Contractors and Suppliers C. \$ 3,500

III. Determine Total Value of Adjustments (B + C) D. \$ 11,200

VI. Determine Total Adjusted Proposal Price (A - D) E. \$ 98,800

The steps above are repeated for Company B (see next page).

Appendix A – NNI Application Examples – Page 10 of 17

Example 1 Cont'd:

Company B (Nunavut, Inuit, Local): Total Unadjusted Price of Contract A. \$ 100,000.00

I. Value of Labour / Work to be completed by the Contractor or Sub-Contractors. Bidder must have provided Name(s), Residency and Dollar Values for worker(s) in their bid. To calculate the adjustments multiply the Value of Labour by the Total Adjustment Percentage factor.

Labour/Payroll Breakdown Table							
Worker Name & Residency and Role on the Team	Value of Labour (\$)	Nunavut Resident 7%	Inuit Resident 7%	Local Resident 7%	Other Resident 0%	Total Adjustment (%)	Value of Adjustment (\$ x %)
Company B Labour is Nunavut & Local but not Inuit	\$40,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14%	\$ 5,600
Sub-Contractor's Labour (Not Inuit or Nunavut)	\$10,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0%	\$ 0.00

Total Value of Adjustments on Labour B. \$ 5,600

II. Value of Services to be provided by the Contractor and Sub-Contractors. Bidder must have provided all 'Own Forces' amounts and Name(s) and Dollar Values of all intended Sub-Contractors in their bid. To calculate the adjustments, multiply the Value of Services by the Total Adjustment Percentage factor.

Fees/Price Breakdown							
Contractor Name & Location and Line Item Sub-Total	Value of Services \$	Nunavut Businesses 7%	Inuit Firm 7%	Local 7%	Other Business 0%	Total Adjustment %	Value of Adjustment (Value x Total Adjustment %)
Company B Admin (Nunavut, Inuit & Local)	\$20,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	21%	\$ 4,200
Sub-Contractor General Services (not Inuit or Nunavut)	\$30,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0%	\$ 0.00

Total Value of Adjustments on Sub-Contractors and Suppliers C. \$ 4,200

III. Determine Total Value of Adjustments (B + C) D. \$ 9,800

VI. Determine Total Adjusted Proposal Price (A - D) E. \$ 90,200

The steps above are repeated for Company C (see next page).

Appendix A – NNI Application Examples – Page 11 of 17

Example 1 Cont'd:

Company C (Inuit, Local): Total Unadjusted Price of Contract A. \$ 115,000.00

I. Value of Labour / Work to be completed by the Contractor or Sub-Contractors. Bidder must have provided Name(s), Residency and Dollar Values for worker(s) in their bid. To calculate the adjustments multiply the Value of Labour by the Total Adjustment Percentage factor.

Labour/Payroll Breakdown Table							
Worker Name & Residency and Role on the Team	Value of Labour (\$)	Nunavut Resident 7%	Inuit Resident 7%	Local Resident 7%	Other Resident 0%	Total Adjustment (%)	Value of Adjustment (\$ x %)
Company C Labour is Inuit & Local <i>(Local Inuit are considered Nunavummiut)</i>	\$30,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	21%	\$ 6,300
Company C also has Nunavut & Local (Non-Inuit) Labour	\$10,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14%	\$ 1,400
Sub-Contractor's Labour is Inuit & Local <i>(Local Inuit are considered Nunavummiut)</i>	\$25,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	21%	\$ 5,250

Total Value of Adjustments on Labour B. \$ 12,950

II. Value of Services to be provided by the Contractor and Sub-Contractors. Bidder must have provided all 'Own Forces' amounts and Name(s) and Dollar Values of all intended Sub-Contractors in their bid. To calculate the adjustments, multiply the Value of Services by the Total Adjustment Percentage factor.

Fees/Price Breakdown							
Contractor Name & Location and Line Item Sub-Total	Value of Services (\$)	Nunavut Businesses 7%	Inuit Firm 7%	Local 7%	Other Business 0%	Total Adjustment (%)	Value of Adjustment (\$ x %)
Company C Admin (Inuit & Local)	\$10,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14%	\$ 1,400
Sub-Contractor General Services (Inuit, Nunavut & Local)	\$40,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	21%	\$ 8,400

Total Value of Adjustments on Sub-Contractors and Suppliers C. \$ 9,800

III. Determine Total Value of Adjustments (B + C) D. \$ 22,750

VI. Determine Total Adjusted Proposal Price (A - D) E. \$ 92,250

Company B still has the lowest price after application of the NNI adjustments.

Bidders will be given a similar form to fill out and submit with their bid.

Appendix A – NNI Application Examples – Page 12 of 17

EXAMPLE 2: Goods Tender

This Example is for the purchase of a Snowmobile for the Wildlife Office in Pangnirtung.

Bidders (fictitious names) & Location	NNI Status	Prices	Allowable Adjustments
Ski-does North, Pangnirtung	Other	\$12,200	0%
Sled Parts & Rentals, Pangnirtung	Nunavut, Inuit, Local	\$12,850	21%
SnowSled Sales & Services, Iqaluit	Inuit	\$12,299	7%
Snowmobile Heaven, Iqaluit	Nunavut, Inuit	\$12,000	14%
Outpost Ready Ltd., Iqaluit	Nunavut, Inuit	\$12,650	14%

- For this example, it is assumed that all bidders except Ski-does North are NNI registered to supply snowmobiles and that all bidders are Responsive and Responsible.
- There is no Labour component on Goods Tenders.

Step 1: Calculate the Adjustments

Bidders	Calculation of Adjustments
Ski-does North	\$12,200 x 0% = \$ 0.00
Sled Parts & Rentals	\$12,850 x 21% = \$ 2,698.50
SnowSled Sales & Services	\$12,299 x 7% = \$ 860.93
Snowmobile Heaven	\$12,000 x 14% = \$ 1,680.00
Outpost Ready Ltd.	\$12,650 x 14% = \$ 1,771.00

Step 2: Calculate the Results

The Results are calculated:	<u>Bid Price – Adjustment</u>	=	<u>Adjusted Bid Price</u>
Ski-does North	\$ 12,200 - \$ 0.00	=	\$ 12,200.00
Sled Parts & Rentals	\$ 12,850 - \$ 2,698.50	=	\$ 10,151.50
SnowSled Sales & Services	\$ 12,299 - \$ 860.93	=	\$ 11,438.07
Snowmobile Heaven	\$ 12,000 - \$ 1,680.00	=	\$ 10,320.00
Outpost Ready Ltd.	\$ 12,650 - \$ 1,771.00	=	\$ 10,879.00

After application of the NNI Bid Adjustments, Sled Parts & Rentals became the Lowest Responsive and Responsible Bidder so they will be given a Purchase Order in the amount of their bid (\$12,850.00).

Note: If the companies from Pangnirtung had not submitted bids, all other bidders in this example would have been eligible for the “Non-Local” Local adjustment²⁴.

Note: For Goods purchases, bid adjustments apply only to the first \$100,000²⁵. This cap does not apply to the materials portion of Construction or Mixed Services contracts.

When bids are close enough in price, Inuit, Nunavut, and Local adjustments can enable a 2nd or 3rd Low bidder to win contracts. This is called an ‘NNI Award’. However, if NNI Adjustments will not affect the outcome of the award, then it is not necessary to do the adjustments. For example, if Snowmobile Heaven had submitted a bid of \$9,500, and the 2nd Lowest Bid was from Ski-does North which is \$12,200, there would be no need to do the NNI Adjustments because \$12,200 – 21% = \$9,638 and this is still higher than the \$9,500.00 lowest bid. NNI Adjustments would not affect the outcome of the award.

²⁴ NNI Policy – ss.11.1 (g)(i) & 11.1 (g)(ii)

²⁵ NNI Policy – ss.11.1 (d)(iii)

EXAMPLE 3: Mixed Goods & Services RFP (Design, Build, Deliver & Install)

This scenario is for a solution of mixed goods and services. A substantial amount of labour and materials will be required to complete the contract. Nunavut Suppliers must registered with the GN for the good or commodity they are bidding on to get the Nunavut and Local adjustments on the supply portion of the contract but Inuit Firms do not need to be registered as suppliers to get the Inuit or Local adjustments. The bid adjustment cap doesn't apply to the materials portion of this type of contract. Three companies respond to the RFP call.

Step 1: Determine Allowable NNI Adjustments

<u>Company A</u>	<u>Inuit, Local</u>		
<u>Line Item</u>	<u>NNI Status</u>	<u>Bid Prices</u>	<u>Allowable Adjustments</u>
'Own Forces' Labor	Inuit, Local	\$ 25,000	21% (Local Inuit are Nunavummiut)
'Own Forces' Labor	Other	\$ 15,000	0% (Ontario)
Supplier A	Nunavut Registered for Commodity	\$ 20,000	7%
Supplier B	Inuit, Nunavut, Local Not Registered for Commodity	\$ 15,000	14%
'Own Forces' Admin	Inuit, Local	\$ 15,000	14%
Sub-Contractor A	Inuit	\$ 15,000	7%
Sub-Contractor's Labour	Inuit, Nunavut	\$ 5,000	14%
Sub- Contractor B	Nunavut, Local	\$ 10,000	14%
Sub-Contractor's Labour	Nunavut, Local	\$ 2,500	14%
Total Bid Price of Company A		\$122,500	

<u>Company B</u>	<u>Nunavut, Local</u>		
<u>Line Item</u>	<u>NNI Status</u>	<u>Bid Prices</u>	<u>Allowable Adjustments</u>
'Own Forces' Labour	Nunavut, Local	\$ 30,000	14%
'Own Forces' Labour	Other	\$ 10,000	0% (Newfoundland)
Supplier A	Nunavut, Inuit, Local Registered for Commodity	\$ 20,000	21%
Supplier B	Nunavut, Local Not Registered for Commodity	\$ 10,000	0%
'Own Forces' Admin	Inuit, Local	\$ 20,000	21% (Local Inuit are Nunavummiut)
Sub-Contractor A	Other	\$ 20,000	0%
Sub-Contractor's Labour	Other	\$ 10,000	0%
Total Bid Price of Company B		\$120,000	

Example 3 Cont'd:

Step 2: Calculate Allowable NNI Adjustments to Determine NNI Adjusted Bid Price

Company A (Inuit, Local): Total Unadjusted Price of Contract A. \$ 122,500.00

I. Value of Labour / Work to be completed by the Contractor or Sub-Contractors. Bidder must have provided Name(s), Residency and Dollar Values for worker(s) in their bid. To calculate the adjustments multiply the Value of Labour by the Total Adjustment Percentage factor.

Labour/Payroll Breakdown Table							
Worker Name & Residency and Role on the Team	Value of Labour (\$)	Nunavut Resident 7%	Inuit Resident 7%	Local Resident 7%	Other Resident 0%	Total Adjustment %	Value of Adjustment (\$ x %)
Company A Labour is Inuit & Local <i>(Local Inuit are considered Nunavummiut)</i>	\$25,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	21%	\$5,250
Company A also has Other Labour (Ontario)	\$15,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0%	\$ 0.00
Sub-Contractor A Labour is Inuit & Nunavut	\$5,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14%	\$ 700
Sub-Contractor B Labour is Nunavut & Local	\$2,500	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14%	\$ 350

Total Value of Adjustments on Labour B. \$ 6,300

II. Value of Sub-Contractors & Material Suppliers. Bidder must have provided Name(s) and Dollar Values for all Sub-Contractors and the Name(s), Dollar Values and Commodity of materials to be provided by each Supplier listed in their bid. To calculate the adjustments, multiply the Value of Materials by the Total Adjustment Percentage factor.

Fees/Price Breakdown							
Contractor Name & Location and Type of Commodity	Value of Sub or Supplier (\$)	Nunavut Business 7%	Inuit Firm 7%	Local 7%	Other Business 0%	Total Adjustment %	Value of Adjustment (\$ x %)
Company A Admin (Inuit & Local)	\$15,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14%	\$ 2,100
Supplier A (Nunavut) Registered for Commodity	\$ 20,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7%	\$ 1,400
Supplier B (Inuit & Local) <i>Not Approved for Commodity so doesn't get Nunavut</i>	\$ 15,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14%	\$ 2,100
Sub-Contractor A (Inuit)	\$ 15,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7%	\$ 1,050
Sub-Contractor B (Nunavut & Local)	\$10,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14%	\$ 1,400

Total Value of Adjustments on Sub-Contractors and Suppliers C. \$ 8,050

III. Determine Total Value of Adjustments (B + C) D. \$ 14,350

VI. Determine Total Adjusted Proposal Price (A - D) E. \$ 108,150

The steps above are repeated for Company B (see next page).

Example 3 Cont'd:

Company B (Nunavut, Local): Total Unadjusted Price of Contract A. \$ 120,000.00

I. Value of Labour / Work to be completed by the Contractor or Sub-Contractors. Bidder must have provided Name(s), Residency and Dollar Values for worker(s) in their bid. To calculate the adjustments multiply the Value of Labour by the Total Adjustment Percentage factor.

Labour/Payroll Breakdown Table							
Worker Name & Residency and Role on the Team	Value of Labour (\$)	Nunavut Resident 7%	Inuit Resident 7%	Local Resident 7%	Other Resident 0%	Total Adjustment %	Value of Adjustment (\$ x %)
Company B Labour is Nunavut & Local	\$30,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14%	\$4,200
Company B also has Other Labour (Newfoundland)	\$10,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0%	\$ 0.00
Sub-Contractor A Labour is Other	\$10,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0%	\$ 0.00

Total Value of Adjustments on Labour B. \$ 4,200

II. Value of Sub-Contractors & Material Suppliers. Bidder must have provided Name(s) and Dollar Values for all Sub-Contractors and the Name(s), Dollar Values and Commodity of materials to be provided by each Supplier listed in their bid. To calculate the adjustments, multiply the Value of Materials by the Total Adjustment Percentage factor.

Fees/Price Breakdown							
Contractor Name & Location and Type of Commodity	Value of Sub or Supplier	Nunavut Business 7%	Inuit Firm 7%	Local 7%	Other Business 0%	Total Adjustment %	Value of Adjustment (\$ x %)
Company B Admin (Nunavut & Local)	\$20,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14%	\$ 2,800
Supplier A (Nunavut/Inuit/Local) <i>Registered for Commodity so they get the Nunavut adjustment</i>	\$ 20,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	21%	\$ 4,200
Supplier B (Nunavut/Local) <i>Not Registered for the Commodity so they don't get the Nunavut adjustment</i>	\$ 10,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0%	\$ 0.00
Sub-Contractor A (Other)	\$ 20,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0%	\$ 0.00

Total Value of Adjustments on Sub-Contractors and Suppliers C. \$ 7,000

III. Determine Total Value of Adjustments (B + C) D. \$ 11,200

VI. Determine Total Adjusted Proposal Price (A - D) E. \$ 108,800

Company A has the lowest price after NNI Adjustments.

Bidders will be given a similar form to fill out and submit with their bid.

Requirement for Inuit Content Rating Criteria in RFPs:

In addition to adjusting the cost of proposals prior to assigning points, the NNI Policy also sets out the requirement for all RFPs to contain Inuit Content as an evaluation criteria²⁶ for proposals (10% for Inuit Labour and 5% for Inuit Firms). The weight for this criteria must be at least 15% of the overall weights assigned for all rating criteria to be used in evaluating proposals²⁷. The total weight for all rating criteria must add up to 100%.

CGS Purchasing, Logistics & Contract Support recommends using the following Unit Point or Score rating legend and rating methodology when evaluating proposals:

1 – 3	Poor
4 – 6	Fair
7 – 8	Good
9 – 10	Excellent

The point value or score awarded for each rating criteria is then multiplied by the weight of the criteria to arrive at a sub-total score. All sub-total scores are then added together to arrive at the total score of the proposal (to a maximum of 100 or 1000 points depending on whether or not the weight is multiplied as a number or a percentage).²⁸

Community and Government Services, together with the NNI Secretariat and NTI agree that, for the entire labour value on the project, one (1) point will be awarded for each 10% of Inuit Labour to be provided by Inuit workers, regardless of the proponent's Inuit Firm status²⁹. It is also agreed that, for the value of the project exclusive of labour, one (1) point will be given for each 10% of the proposed contract work that will be carried out by Inuit Firms, regardless of the proponent's Inuit Firm status.

Awarding Points for Inuit Labour (10% of the Inuit Content Rating Criteria):

Points for Inuit labour are awarded based on the percentage of the Inuit labor cost in comparison to the total labour cost of the project.

For example, where 80% of the cost to provide the service is composed of labour and the proponent has demonstrated that 40% of the labour is being provided by Inuit workers, the proponent will be given a score of 4 out of 10 and the sub-total score for the Inuit Labour evaluation criteria is arrived at as follows:

$$\text{Score of 4} \times \text{Weight of 10} = \text{Sub-Total Score of 40}$$

²⁶ NNI Policy – NNI Policy, ss.11.2(e) and Appendix “A” – Definitions – “Inuit Content” – page 2 of 6

²⁷ NNI Policy, s.11.2(e)

²⁸ Where unit points awarded are multiplied to the weights expressed as a percentage, the total proposal score results will be out of a maximum one hundred (100) points rather than one thousand (1,000).

²⁹ Ibid, definition for Inuit Labour, page 3 of 6

A proponent would need to achieve 100% Inuit employment in all aspects of the contract, including production, testing, administration etc., in order to score the maximum points (10 out of 10 or 100%) on Inuit Labor.

Awarding Points for Inuit Firms (5% of the Inuit Content Rating Criteria):

Points for Inuit Firms will be awarded for the percentage of work done by firms registered with NTI on the Inuit Firms Listing. Points will only be awarded for the portion of work that will be completed by, or contracted-out to the NTI registered Inuit Firm.

For example, where a proponent has demonstrated that an Inuit Firm will be responsible for completing 40% of proposed project value, excluding Labour, then the proponent will receive 40% of the maximum possible points or 4 out of 10. The Sub-Total Score for this rating criteria would be calculated as follows:

$$\text{Score of 4} \times \text{Weight of 5} = \text{Sub-Total Score of 20}$$

Application: This methodology applies equally to Inuit and Non-Inuit Firm proponents. A proponent would need to have 100% of the project work, excluding Labour, completed by registered Inuit Firms in order to score maximum points (10 out of 10 or 100%) on Inuit Firms.

Note: Proponents must have substantiated the percentages identified in their proposals in order to receive points. It is not sufficient to say that 40% of the work will be done by Inuit employees. All employees, including the Inuit employees, must be named in the proposal, their roles and responsibilities clearly identified and the dollar values associated with each employee's involvement in the project must also be provided so that the percentages can be calculated and awarded objectively by the proposal Evaluation Committee. The same is true for Inuit and non-Inuit sub-contractors and suppliers.