



## **NUNAVUT TUNNGAVIK INC.**

### **PROCUREMENT POLICY**

*Approved by the Board of Directors in September 2005  
Last Amended in September 2009*

#### **I. PURPOSE**

It is NTI's policy to:

- (a) provide NTI's departments with goods and services of the quality and quantity required, as efficiently as possible, and at the lowest overall cost;
- (b) foster the development of Inuit Firms; and
- (c) foster the employment of Inuit by Inuit Firms and non-Inuit Firms.

#### **II. APPLICATION**

This policy shall be adhered to by all directors, officers, and employees. All purchases of goods and services must respect the guidelines described in this policy.

The method of procurement described in section VII of this policy shall apply to contracts other than those for consulting services, legal services, accounting and auditing services, banking services, purchases of vehicles, and leases of vehicles and real estate (collectively the "Exempted Contracts"). The method of procurement described in section VIII of this policy applies to the Exempted Contracts.

#### **III. DEFINITION**

"Inuit" means those individuals enrolled under subsection 35.3.1 of the *Nunavut Land Claims Agreement* (NLCA).

"Inuit Firm" means, in the context of this policy:

- (a) a business that has been placed on the Inuit Firm registry by NTI in accordance with Article 24 of the NLCA;
- (b) a business that is recognized by NTI as an Inuit Firm under Article 40.1.3 of the NLCA;
- (c) a not-for-profit corporation or a society which is controlled by Inuit; or
- (d) a business which does not meet the requirements of (a), (b), or (c), but is one in which, in respect of a contract with NTI, 51% or more of the

professional fees charged are paid to Inuit in the case of services, or in which 51% of the contract price, minus expenses, is paid to Inuit.

#### **IV. PROCEDURAL REQUIREMENTS**

##### **(1) Procurement Authority**

Members of the Board of Directors of NTI shall not procure goods and services on behalf of NTI. Officers and employees of NTI may procure goods and services on behalf of NTI provided that they have authority to do so. The authority to make procurement decisions is granted to officers and certain employees by the NTI Expenditure Policy.

##### **(2) Co-operative Purchasing and Northern Transportation**

Co-operative purchasing by NTI, RIAs and other Inuit organizations is encouraged, as significant cost savings can be realized. It is also important that officers and employees involved in procurement decisions recognize the importance of the planning cycle as it relates to northern transportation as significant savings can be achieved by shipping goods by sea instead of by air.

#### **V. INUIT FIRM PREFERENCE**

Where required under VII below, whenever there are Inuit Firms capable of supplying the desired goods or services, those businesses shall be evaluated to determine whether they are capable of supplying the required goods or services.

If capable of supplying the required goods or services, an Inuit Firm shall be given preference over a non-Inuit Firm provided that:

- a) it is capable of providing goods or services of equal quantity, quality, and capability, to those offered by a non-Inuit Firm;
- b) it is capable of providing good or services in the same amount of time as a non- Inuit Firm; and
- c) it charges an amount not more than 10% greater than the amount charged by the lowest cost non-Inuit Firm offering similar goods or services.

#### **VI. METHOD OF PROCUREMENT**

Unless otherwise decided by the Executive Committee to be in NTI's best interest, NTI shall not use bids or tenders to procure goods or services. The following process shall be followed when procuring goods or services:

##### **(1) Goods or Services \$100,000.00 or greater**

A request for proposals shall be issued in respect of any procurement of goods or services having a value of \$100,000 or more.

Where a proposed contract for goods or services has a value of \$100,000.00 or more, the Inuit Firm preference shall be applied only to the first \$99,999.99 of the proposed contract.

**(2) Goods or Services \$50,000.00 to \$ 99,999.99**

A request for proposals shall be issued, and the Inuit Firm preference shall be applied in respect of any procurement of goods or services having a value of between \$50,000.00 and \$99,999.99.

**(3) Goods or Services \$10,000.00 to \$49,999.99**

An officer or employee may procure goods or services with a value of between \$10,000.00 and \$49,999.99 from a supplier without using a request for proposals, provided that quotes have been obtained from at least three (3) potential suppliers, if other suppliers of the goods or services exist, or a quote has been obtained from one (1) supplier where it is the only supplier of the goods or services. The Inuit Firm preference shall be applied.

**(4) Goods and Services under \$10,000.00**

An officer or employee may procure goods or services with a value under \$10,000.00 from a supplier without resort to use of a request for proposals and without requesting quotes from at least three (3) potential suppliers, if the Chief Executive Officer is satisfied that the terms of the contract are reasonable. The Inuit Firm preference shall be applied.

**VII. METHOD OF PROCUREMENT FOR EXEMPTED CONTRACTS**

Wherever appropriate, the procurement of the Exempted Contracts should follow the above process of request for proposal and/or solicitation of multiple quotes, except that the process is not needed for an Exempted Contract that is intended to be completed within six (6) months of the signing of the contract and the total amount of the contract is less than \$10,000, if the Chief Executive Officer is satisfied that the terms of the contract are reasonable.

**VIII. CONFLICT OF INTEREST**

Procurement decisions shall always be “arm’s length” transactions. All officers and employees involved in procurement decisions must strictly adhere to the requirements of NTI’s “Conflict of Interest” policy.

**IX. EXEMPTION**

The President and the Chief Executive Officer, acting jointly, may on reasonable grounds exempt any proposed procurement decision from the provisions of this policy except for section VIII – Conflict of Interest.

*(Last Amended in September 2009)*