



Contracting Policy Notice 2019-03: New Directive on Government Contracts, Including Real Property Leases, in the Nunavut Settlement Area

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Directive sur les marchés de l'état, incluant les baux immobiliers, dans la région du Nunavut

Contracting Policy Notice 2019-03: New Directive on Government Contracts, Including Real Property Leases, in the Nunavut Settlement Area

From Treasury Board of Canada Secretariat

Date: 2019-08-16

To: Functional Heads, Finance and Administration of all Departments and Agencies

Subject: *New Directive on Government Contracts, Including Real Property Leases, in the Nunavut Settlement Area*

Overview

In the Nunavut Settlement Area (NSA), the Government of Canada's contracting activities provide an important opportunity for Inuit firms to compete for government contracts, including real property leases, and for Inuit to participate in employment, training and business opportunities created by those activities. In support of the Government of Canada's commitments under Article 24 of the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada

(Nunavut Agreement), and in the spirit of advancing reconciliation and renewing the Indigenous-Crown relationship based on the recognition of rights, respect, cooperation and partnership, a new *Directive on Government Contracts, Including Real Property Leases, in the Nunavut Settlement Area* was recently approved by the Treasury Board.

Developed in close consultation with the Nunavut Tunngavik Incorporated (NTI), the Designated Inuit Organization representing the Inuit of the NSA, the directive applies to:

1. All government contracts, including real property leases, with final deliverables or performance in or into the NSA
2. All federal departments and agencies in Schedules I, I.1, and II, with the exception of the Canada Revenue Agency, and to Commissions established pursuant to the *Inquiries Act* that are designated as departments for the purposes of the *Financial Administration Act*

The directive highlights requirements to improve the consistent application across government of the procurement and real property leasing obligations in the Nunavut Agreement. In particular, the directive:

- 1. Clarifies the obligations of government officials, including deputy heads, business owners and contracting authorities, with regard to:**
 - Preparing annual plans for contracts and real property leases in the NSA
 - Structuring procurements and implementing the directive over time in order to help advance the ability of Inuit firms to compete for government contracts, including real property leases, in the NSA
 - Consulting the Inuit firm list and conducting market research to assess Inuit capacity

- 2. Establishes new requirements to limit bidding among Inuit firms where capacity exists, such as in the following situations:**
 - For contracts above \$25,000 where there are at least two Inuit firms registered on the Inuit firm list for that commodity or service
 - For real property leases where the estimated total consideration of the lease is \$100,000, and there are at least two Inuit firms registered on the Inuit firm list for the nature of the lease
- 3. Establishes new mandatory bid criteria for Inuit and Nunavut benefits that are required for procurements over \$100,000 and real property leases that have a total consideration over \$1,000,000:**
 - Inuit benefits criteria:
 - The employment of Inuit labour
 - The undertaking of commitments, under the contract, with respect to on-the-job training or skills development for Inuit
 - The bidder is an Inuit firm or will be engaging Inuit firm(s) as subcontractors(s) in carrying out the government contract in the NSA
 - Nunavut benefits criteria:
 - The bidder or subcontractor has head offices, administrative offices or other facilities in the NSA
 - Bid evaluation:
 - For competitive tenders limited to Inuit firms, the bid criteria are to be weighted at 30% of the total available points
 - For competitive tenders not limited to Inuit firms, the bid criteria are to be weighted at 35% of the total available points
- 4. Establishes new monitoring and reporting requirements and a formal review committee for the directive and its implementation across government in order to:**
 - Monitor and review the outcomes of the directive

- Identify evidence-based opportunities to improve the application of the directive, including, but not limited to, the impact of the evaluation methodology for the bid criteria

The full text of the directive is available at *Directive on Government Contracts, Including Real Property Leases, in the Nunavut Settlement Area*. Departments should update their internal processes and refer to further guidance being developed by Public Services and Procurement Canada to support the requirements of the new directive.

Enquiries

Questions about this policy notice or the *Directive on Government Contracts, Including Real Property Leases, in the Nunavut Settlement Area* should be directed to TBS Public Enquiries.

Kathleen Owens

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Treasury Board of Canada Secretariat

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