

# Financial Administration Manual



NORTHWEST TERRITORIES  
**POWER  
CORPORATION**

*Empowering Communities*

An NT Hydro Company



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# Financial Administration Manual

This manual was developed for people employed at the NWT Power Corporation. It gives the basic requirements for authorizing financial transactions eg. Contracts, Leases, Insurance, Tenders, General Signing Authority, etc.

If after reading this manual you have any doubt about whether you have legal signing authority or whether you should sign a financial transaction document, please consult the [General Signing Authority Policy \(F -1A\)](#) and the [Delegation of Signing Authority Policy \(F-1B\)](#).

Signing authority for Directors, except for the Director of Finance & CFO, is for their work groups, unless otherwise delegated. Further delegation of signing authority is done by way of the Signing Authorities Spreadsheet, which requires the approval of both the President & CEO and the Director of Finance & CFO. If you still have doubts, you must consult with your Finance Manager or the Chief Financial Officer.

All questions, comments and updates related to the Financial Administration Manual can be forwarded to the following email address, [financehelpdesk@ntpc.com](mailto:financehelpdesk@ntpc.com).

## 1. Signing Authority

### 1.1 General

In order to authorize financial transactions for the NWT Power Corporation, you must have signing authority ([Policy F-1A](#) or [F-1B](#)) and place your handwritten signature on the required documents. When you're given permission by the CFO to have signing authority, you sign a Specimen Signature Record, which describes your personal authority. By signing, you provide the Finance Administrator with a specimen of your signature and certify that you know the conditions and limits of your authority. The Finance Administrator files the original so an auditor can verify your signing authority ([see section 1.5](#)). Your signing authority may be temporary or occasional ([see section 1.6](#)).

Having financial signing authority makes you one or more of the following two types of signing officer:

- contract authority
- project monitor

You may not subdelegate (pass on) your signing authority to anyone else unless your Specimen Signature Record authorizes you to do so. In that case, you may subdelegate temporary or occasional signing authority to someone else by filling out a [Temporary Delegation of Signing or Acting Authority](#) form.

The most common financial transactions are purchase contracts and payments for goods and services. In order to make a contract legal, your Specimen Signature Record must designate you as a contract authority and state the conditions and monetary limits of your authority to make contracts. Every spending transaction requires a minimum of one signing - a project monitor and a contract authority if the expenditure is above the signing authority of the Project Monitor.

Contract authorities are responsible to justify purchases and control budgets. Project Monitors are responsible to control payment and ensure that the NWT Power Corporation accounting policies and procedures are followed. Separation of spending and accounting duties is a very important internal control principle in the Corporation.

You may not separate parts of a transaction into smaller transactions in order to bypass monetary limits or other restrictions on your signing authority. If your signing authority limit is \$15,000, for example, you may not split a \$20,000 purchase into smaller purchases of \$15,000 or less.

## 1.2 If You Are a Contract Authority

In order to make a contract, you must be a contract authority for the particular type of goods or services being purchased. The authorization documents you sign have a contract authority line for your signature.

Before you make a contract, you must verify that your Specimen Signature Record gives you authority to make contracts of the type and dollar value you have in mind. Your authority is limited to the conditions, budgets, and dollar values shown on your Specimen Signature Record ([see section 1.1](#)).

As a contract authority, you must be familiar with related directives in this manual.

## 1.3 If you are a Project Monitor

Capital Project Monitor authority is delegated while an employee is monitoring a specific capital project. This signing authority is not intended for operational expenditures and does not extend past the life of the capital project. Capital Project Monitors may have signing authority temporarily increased to a maximum of \$50,000 on a project-by-project basis (approved in writing by a Director).

As a Project Monitor, you may have one or both of the following payment authorities:

- a) commitment certification authority; and
- b) payment certification authority.

Your payment authority is limited to the conditions, budgets, and dollar values shown on your Specimen Signature Record ([see section 1.1](#)). The payment authorities you may have are described as follows.

Commitment certification authority permits you to certify that:

- a) the particular budget has sufficient funds available for an expenditure;
- b) a Project Monitor has signed to authorize the expenditure; and
- c) if the expenditure is being made under a contract for the purchase of goods or services, a contract authority has signed to authorize the contract.

Payment certification authority permits you to sign in order to:

- a) certify that a Project Monitor has signed to confirm contract performance and price; and
- b) authorize the release of payment.

## 1.4 Record Keeping

The Corporation relies on the availability and integrity of its records or information in the performance of its daily business operations. Effective management of the Corporation's information resources is critical to reduce the time and effort necessary to locate documents needed for business and information purposes in order to increase efficiency. An approved Corporate File Classification Schedule provides guidelines for the management of authorized financial transaction supporting documents from the time of the record creation to final disposition based on legal, financial, administrative, historical and other considerations. All authorized financial transaction related electronic documents are to be saved appropriately into NTPC's records management system called iManage; any paper records deemed necessary for retention should be managed following the Corporate File Classification Schedule and in accordance with NTPC's [Corporate Records Management \(Policy A-2\)](#).

A copy of the current Corporate File Classification Schedule can be obtained by performing a search within iManage on the description "retention schedule" or by contacting the Records Management Coordinator within the Information Technology department. Further information on the use of iManage can be found in the [Information Systems Online Training Library](#).

## 1.5 Some Basic Common Sense Rules

You may use your signing authority only when the transaction is clearly legitimate.

Every expenditure must use funds that have an approved budget by the Board. For example, for capital projects, each project will have a unique job number and when charging to the project the funds must be within the approved budget and also, if over your signing authority, must have the appropriate Director/Manager signature in accordance with Company policy ([Policy F-1B](#)). If you are spending funds on projects or for O&M purposes against job budgets that you do not have a direct responsibility for, you must also obtain the permission of the appropriate project manager/monitor to spend these funds.

## 1.6 Temporary Delegation of Signing or Acting Authority

You may be called upon to act (fill in) for someone else who is absent. For example, you may be appointed to act for your supervisor who is away on duty travel or annual leave. When you act for another person, you do not automatically assume their financial signing authorities unless noted on the [Temporary Delegation of Signing or Acting Authority](#) form.

Temporary authority is called acting authority. It permits you to act for another position or person for a specified time and ceases automatically when that time is past.

You are permitted to act for the person who would normally sign only if they are also unable to be present and unable to exercise financial signing authority while absent.

## 2. Purchasing Procedures

NWT Power Corporation employees follow three Purchasing Values as set out in the [Purchasing Policy F2](#). These are:

### **Procedure A. 0 - \$5,000 (informal tendering)**

Competitive bids not required, but encouraged.

[A1](#) - Paramount Workplace: Request for any material, both inventory and non-inventory

[A2](#) - Purchase of Service (0-\$5,000)

### **Procedure B. \$5,001 - \$75,000 (informal or formal tendering)**

Written competitive bids required.

Invitational quotes (minimum 2 suppliers) or public tender

[B1](#) - Service Agreement (\$5,001 - \$75,000)

[B2](#) - Service Agreement - Sole Source (\$5,001 - \$75,000)

[B3](#) - Public Request for Proposal (\$5,001 - \$75,000)

[B4](#) - Invitational Request for Proposal (\$5,001 - \$75,000)

[B5](#) - Sole Source Tender (\$5,001 - \$75,000)

### **Procedure C. Over \$75,000 (formal tendering)**

Written competitive bids required.

Public tender, unless invitational tender approved by President

[C1](#) - Public Tender (over \$75,000)

[C2](#) - Invitational Tender Process (over \$75,000)

[C3](#) - Public Request for Proposal (over \$75,000)

[C4](#) - Invitational Request for Proposal (over \$75,000)

[C5](#) - Sole Source Tender (over \$75,000)

## **Procedure A1 - Paramount WorkPlace: Request for any material, both inventory and non-inventory**

[Paramount WorkPlace](#) is NTPC's web-based electronic purchasing and requisitioning system. Any request for materials, both inventory and non-inventory, should originate in this system as a user submitted requisition.

Once a requisition is submitted, it will follow routing rules setup to match NTPC's Policy on [Signing Authority \(F-01\)](#). The requisition will flow through different levels of approval depending on who submitted the requisition and the total cost of materials requested. Once the requisition has been fully approved by all required parties, the requisition will be forwarded to Logistics for review.

Logistics will review the requisition to determine the best way to fulfill the request, usually issuing the materials from inventory or converting the requisition into a purchase order within NTPC's financial system - Microsoft Dynamics GP.

Paramount WorkPlace has direct ties into Microsoft Dynamics GP so the user is able to select the appropriate data (project, coding, vendors, items, etc) directly from the financial system upon creation of the requisition. This helps speed up the processing of each requisition and gives approvers a better view of the accounts affected.

For more information on how to use WorkPlace please visit the [Information Systems Online Training Library](#).

## Procedure A2 - Service Agreement (0 - \$5,000)

- Capital Project Monitor (PM)<sup>1</sup> fills out the Service Agreement (SA) sections up to and including 2.1 on the SA. PM can sign the SA as long as the value of the contract is within their signing authority ([F-1B](#)). **NOTE:** A PM for an operational expenditure can only sign a contract up to their signing authority only. If not, the contract has to be signed by a contract authority with signing authority.
- PM attaches a minimum of 1 quote, completes the [Request for Authority to Enter into Contract](#) form and sends all completed paperwork to Contract & Lands Coordinator (CLC).
- CLC sends executed SA to vendor via email for signing.
- CLC requests insurance policy from vendor and Letter of Good Standing from WSCC.
- CLC enters SA into system when all documentation has been received from vendor.
- CLC files executed SA.

<sup>1</sup>Capital Project Monitor authority is delegated while an employee is monitoring a specific capital project. This signing authority is not intended for operational expenditures and does not extend past the life of the capital project. Capital Project Monitors may have signing authority temporarily increased to a maximum of \$50,000 on a project-by-project basis (approved in writing by a Director).

## Procedure B1 - *Service Agreement (\$5,001 - \$75,000)*

- Capital Project Monitor (PM)<sup>1</sup> fills out the Service Agreement (SA) sections up to and including 2.1 on the SA. PM can sign the SA as long as the value of the contract is within their signing authority ([F-1B](#)). **NOTE:** A PM for an operational expenditure can only sign a contract up to their signing authority only. If not, the contract has to be signed by a Director.
- PM attaches a minimum of 2 vendor quotes, completes the [Request for Authority to Enter into a Contract](#) form and sends all completed paperwork to the CLC.
- CLC sends executed SA to vendor via email for signing.
- CLC requests insurance policy from vendor and Letter of Good Standing from WSCC.
- CLC enters SA into system when all documentation has been received from vendor.
- CLC files executed SA.

<sup>1</sup>Capital Project Monitor authority is delegated while an employee is monitoring a specific capital project. This signing authority is not intended for operational expenditures and does not extend past the life of the capital project. Capital Project Monitors may have signing authority temporarily increased to a maximum of \$50,000 on a project-by-project basis (approved in writing by a Director).

## **Procedure B2 - Service Agreement - Sole Source (\$5,001 - \$75,000)**

- Capital Project Monitor (PM)<sup>1</sup> fills out the Service Agreement (SA) sections up to and including 2.1 on the SA. PM can sign the SA as long as the value of the contract is within their signing authority ([F-1B](#)). **NOTE:** A PM for an operational expenditure can only sign a contract up to their signing authority. If not, the contract has to be signed by a Director.
- PM attaches vendor quotes, completes the [Justification for Sole Source, Request to Tender/Exemption from Tender Policy](#) and [Request for Authority to Enter into a Contract](#) forms signed by the contract authority and returns all to CLC.
- CLC sends executed SA to vendor via email for signing.
- CLC requests insurance policy from vendor and Letter of Good Standing from WSCC.
- CLC enters SA into system when all documentation has been received from vendor.
- CLC files executed SA.

<sup>1</sup>Capital Project Monitor authority is delegated while an employee is monitoring a specific capital project. This signing authority is not intended for operational expenditures and does not extend past the life of the capital project. Capital Project Monitors may have signing authority temporarily increased to a maximum of \$50,000 on a project-by-project basis (approved in writing by a Director).

### **Procedure B3 - Public Request for Proposal (\$5,001 - \$75,000)**

- Project monitor (PM) requests RFP # from Contract & Lands Coordinator (CLC).
- PM sends scope of work to Safety/Environment for review.
- PM completes [Request to Tender/Exemption from Tender Policy](#) form, attaches scope of work, obtains signatures based on contract authority value and returns all to CLC.
- CLC advertises public RFP.
- Invitees submit RFP's via hard copies (no fax or email).
- Logistics open RFP's on closing date & time along with the PM.
- PM completes an **evaluation** and makes a [Recommendation for Award](#). A sample copy of the Recommendation for Award form can be found in [Appendix B](#).
- PM completes [Request for Authority to Enter into a Contract](#) form, attaches evaluation and obtains approval signatures based on contract value. Returns to CLC.
- CLC sends out award & regret letters.
- CLC assembles contract & obtains required paperwork from vendor & signatures (contract documents sent via courier).
- CLC sends executed contract to Senior Management (SM) based on contract authority value.

- SM executes contract and returns back to CLC.
- CLC sends executed contract to vendor via registered mail.
- CLC files executed contract.

## RFP Evaluation

Request for Proposals are evaluated using the Evaluation Form included in the RFP.

A committee of at least three employees, including the project monitor shall undertake a scoring of the RFP on the **Proposal Rating Form** that was included in the RFP. The evaluation shall be comprised of a review of the proposals to ensure that they are responsive and a review of the contractors to determine if they are responsible, using only the criteria as set out in the RFP.

**NOTE:** The PM may review an RFP submission with a bidder that was not successful. The score cannot be divulged to the bidder, only where their bid fell short in their submission as to help them improve their submission for the next RFP or tender.

If a bidder would like to know who they successful bidder was, they should contact the CLC for more information. The CLC will only release the name of the successful bidder. No information on the contents or price of any submission will be disclosed.

## **Procedure B4 - Invitational Request for Proposal (\$5,001 - \$75,000)**

- Project monitor (PM) requests RFP # from Contract & Lands Coordinator (CLC).
- PM sends scope of work to Safety/Environment for review.
- PM completes [Request to Tender/Exemption from Tender Policy](#) form, attaches scope of work, obtains signatures based on contract authority value and returns all to CLC.
- CLC emails or couriers RFP to invitees.
- Invitees submit RFP's via hard copies (no fax or email).
- Logistics open RFP's on closing date & time along with the PM.
- PM completes an **evaluation** and makes a [Recommendation for Award](#). A sample copy of the Recommendation for Award form can be found in [Appendix B](#).
- PM completes [Request for Authority to Enter into a Contract](#) form, attaches evaluation and obtains approval signatures based on contract authority value. Returns to CLC.
- CLC sends out award & regret letters.
- CLC assembles contract & obtains required paperwork from vendor & signatures (contract documents sent via courier).
- CLC sends executed contract to Senior Management (SM) based on contract authority value.

- SM executes contract and returns back to CLC.
- CLC sends executed contract to vendor via registered mail.
- CLC files executed contract.

### **RFP Evaluation**

Request for Proposals are evaluated using the Evaluation Form included in the RFP.

A committee of at least three employees, including the project monitor shall undertake a scoring of the RFP on the **Proposal Rating Form** that was included in the RFP. The evaluation shall be comprised of a review of the proposals to ensure that they are responsive and a review of the contractors to determine if they are responsible, using only the criteria as set out in the RFP.

**NOTE:** The PM may review an RFP submission with a bidder that was not successful. The score cannot be divulged to the bidder, only where their bid fell short in their submission as to help them improve their submission for the next RFP or tender.

If a bidder would like to know who they successful bidder was, they should contact the CLC for more information. The CLC will only release the name of the successful bidder. No information on the contents or price of any submission will be disclosed.

## **Procedure B5 - Sole Source from Tender (\$5,001 - \$75,000)**

- PM sends scope of work to Safety/Environment for review.
- PM completes [Justification for Sole Source](#), [Request to Tender/Exemption from Tender Policy](#) and [Request for Authority to Enter into a Contract](#) forms, signed by the contract authority, attaches vendor quote and returns all to CLC.
- CLC sends out award letter.
- CLC assembles contract & obtains required paperwork from vendor & signatures (contract documents sent via courier).
- CLC sends executed vendor contract to Senior Management (SM) based on contract authority value.
- SM executes contract and returns to CLC.
- CLC sends executed contract to vendor via registered mail.
- CLC files executed contract.

## **Award by Sole Source**

A sole source tender may be called if in the opinion of the tendering authority:

- a) only one business is available and capable of undertaking the work, or
- b) the work is out of a proprietary nature and only one business can do the work, or
- c) the work to be undertaken is an Emergency, or
- d) the work is within the signing authority of Director.

The President must approve all other sole source contracts.

For any sole source award the contract authority must complete and have approved an Exemption from Tender form. This form will be forwarded to the Logistics Group. The Chief Executive Officer or Directors may approve exemptions up to their signing authority.

In all other instances, the competitive bidding process will apply.

## Procedure C1 - *Public Tender (over \$75,000)*

- Project monitor (PM) requests Tender # from Contract & Lands Coordinator (CLC).
- PM sends scope of work to Safety/Environment for review.
- PM completes [Request to Tender/Exemption from Tender Policy](#) form, attaches scope of work, obtains signatures based on contract authority value and returns all to CLC.
- CLC advertises public tender.
- Vendors submit tenders via hard copies (no fax or email).
- Logistics open tenders on closing date & time along with the PM.
- PM completes an **evaluation** and makes a [Recommendation for Award](#). A sample copy of the Recommendation for Award form can be found in [Appendix B](#).
- PM completes [Request for Authority to Enter into a Contract](#) form, attaches evaluation and obtains approval signatures based on contract value. Returns to CLC.
- Approval signatures are obtained by the PM according to contract commitment & returns to the CLC.
- CLC sends out award & regret letters.
- CLC assembles contract & obtains required paperwork from vendor & signatures (contract documents sent via courier).

- CLC sends executed vendor contract to Senior Management (SM) based on contract authority value.
- SM executes contract and returns back to CLC.
- CLC sends executed contract to vendor via registered mail.
- CLC files executed contract.

## **Tender Evaluation**

The Project Monitor shall undertake a detailed bid evaluation. The evaluation shall be comprised of a review of the bids to ensure that they are responsive and a review of the contractors to determine if they are responsible:

**a) Administrative Review:** From an administrative point of view is the tender bid responsive? In this review the tender is examined to ensure that it is complete and has been properly filled out. Are all of the schedules completed as requested? Have all of the addenda been acknowledged? If bid security is required was it attached and is it in an acceptable form and amount? Have any tender terms been deleted or qualified?

**b) Technical Review:** From a technical point of view is the tender bid responsive? In this review the tender is reviewed to ensure that it is technically responsive to the tender call. Does the tender bid comply with all the technical specifications? Have any technical requirements been deleted or qualified?

**c) Contractor Review:** Is the contractor responsible? In other words, with respect to this specific contract, is the contractor capable in all respects to perform fully the contract requirements and the integrity and reliability to assure performance of the contract obligations?

## Procedure C2 - *Invitational Tender (over \$75,000)*

- Project monitor (PM) requests Tender # from Contract & Lands Coordinator (CLC).
- PM sends scope of work to Safety/Environment for review.
- PM completes [Request to Tender/Exemption from Tender Policy](#) form, attaches scope of work, obtains signatures based on contract authority value and returns all to CLC.
- CLC emails or couriers Tender to Invitees.
- Vendors submit tenders via hard copies (no fax or email).
- Logistics open tenders on closing date & time along with the PM.
- PM completes an **evaluation** and makes a [Recommendation for Award](#). A sample copy of the Recommendation for Award form can be found in [Appendix B](#).
- PM completes [Request for Authority to Enter into Contract](#) form, attaches evaluation and obtains approval signatures based on contract value. Returns to CLC.
- CLC sends out award & regret letters.
- CLC assembles contract & obtains required paperwork from vendor & signatures (contract documents sent via courier).

- CLC sends executed vendor contract to SM based on contract authority value.
- SM executes contract and returns back to CLC.
- CLC sends executed contract to vendor via registered mail.
- CLC files executed contract.

## Tender Evaluation

The Project Monitor shall undertake a detailed bid evaluation. The evaluation shall be comprised of a review of the bids to ensure that they are responsive and a review of the contractors to determine if they are responsible:

**a) Administrative Review:** From an administrative point of view is the tender bid responsive? In this review the tender is examined to ensure that it is complete and has been properly filled out. Are all of the schedules completed as requested? Have all of the addenda been acknowledged? If bid security is required was it attached and is it in an acceptable form and amount? Have any tender terms been deleted or qualified?

**b) Technical Review:** From a technical point of view is the tender bid responsive? In this review the tender is reviewed to ensure that it is technically responsive to the tender call. Does the tender bid comply with all the technical specifications? Have any technical requirements been deleted or qualified?

**c) Contractor Review:** Is the contractor responsible? In other words, with respect to this specific contract, is the contractor capable in all respects to perform fully the contract requirements and the integrity and reliability to assure performance of the contract obligations?

### **Procedure C3 - Public Request for Proposal (over \$75,000)**

- Project monitor (PM) requests RFP # from Contract & Lands Coordinator (CLC).
- PM sends scope of work to Safety/Environment for review.
- PM completes [Request to Tender/Exemption from Tender Policy](#) form, attaches scope of work, obtains signatures based on contract authority value and returns all to CLC.
- CLC advertises public RFP.
- Invitees submit RFP's via hard copies (no fax or email).
- Logistics open RFP's on closing date & time along with the PM.
- PM completes an **evaluation** and makes a [Recommendation for Award](#). A sample copy of the Recommendation for Award form can be found in [Appendix B](#).
- PM completes [Request for Authority to Enter into a Contract](#) form, attaches evaluation and obtains approval signatures based on contract value. Returns to CLC.
- CLC sends out award & regret letters.
- CLC assembles contract & obtains required paperwork from vendor & signatures (contract documents sent via courier).

- CLC sends executed vendor contract to Senior Management (SM) based on contract authority value.
- SM executes contract and returns back to CLC.
- CLC sends executed contract to vendor via registered mail.
- CLC files executed contract.

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Request for Proposals are evaluated using the Evaluation Form included in the RFP.

A committee of at least three employees, including the project monitor shall undertake a scoring of the RFP on the **Proposal Rating Form** that was included in the RFP. The evaluation shall be comprised of a review of the proposals to ensure that they are responsive and a review of the contractors to determine if they are responsible, using only the criteria as set out in the RFP.

**NOTE:** The PM may review an RFP submission with a bidder that was not successful. The score cannot be divulged to the bidder, only where their bid fell short in their submission as to help them improve their submission for the next RFP or tender.

If a bidder would like to know who they successful bidder was, they should contact the CLC for more information. The CLC will only release the name of the successful bidder. No information on the contents or price of any submission will be disclosed.

## **Procedure C4 - *Invitational Request for Proposal (over \$75,000)***

- Project monitor (PM) requests RFP # from Contract & Lands Coordinator (CLC).
- PM sends scope of work to Safety/Environment for review.
- PM completes [Request to Tender/Exemption from Tender Policy](#) form, attaches scope of work, obtains signatures based on contract authority value and returns all to CLC.
- CLC emails or couriers RFP to Invitees.
- Invitees submit RFP's via hard copies (no fax or email).
- Logistics open RFP's on closing date & time along with the PM.
- PM completes an evaluation and makes a [Recommendation for Award](#). A sample copy of the Recommendation for Award form can be found in [Appendix B](#).
- PM completes [Request for Authority to Enter into a Contract](#) form, attaches evaluation and obtains approval signatures based on contract value. Returns to CLC.
- CLC sends out award & regret letters.
- CLC assembles contract & obtains required paperwork from vendor & signatures (contract documents sent via courier).

- CLC sends executed vendor contract to Senior Management (SM) based on contract authority value.
- SM executes contract and returns back to CLC.
- CLC sends executed contract to vendor via registered mail.
- CLC files executed contract.

## RFP Evaluation

Request for Proposals are evaluated using the Evaluation Form included in the RFP.

A committee of at least three employees, including the project monitor shall undertake a scoring of the RFP on the **Proposal Rating Form** that was included in the RFP. The evaluation shall be comprised of a review of the proposals to ensure that they are responsive and a review of the contractors to determine if they are responsible, using only the criteria as set out in the RFP.

**NOTE:** The PM may review an RFP submission with a bidder that was not successful. The score cannot be divulged to the bidder, only where their bid fell short in their submission as to help them improve their submission for the next RFP or tender.

If a bidder would like to know who they successful bidder was, they should contact the CLC for more information. The CLC will only release the name of the successful bidder. No information on the contents or price of any submission will be disclosed.

## Procedure C5 - Sole Source (over \$75,000)

- PM sends scope of work to Safety/Environment for review.
- PM completes [Justification for Sole Source](#), [Request to Tender/Exemption from Tender Policy](#) and [Request for Authority to Enter into a Contract](#) forms, signed by the contract authority value, attaches vendor quote and returns all to CLC.
- CLC sends out award letter.
- CLC assembles contract & obtains required paperwork from vendor & signatures (contract documents sent via courier).
- CLC sends executed vendor contract to Senior Management (SM) based on contract authority value.
- SM executes contract and returns to CLC.
- CLC sends executed contract to vendor via registered mail.
- CLC files executed contract.

## **Award by Sole Source**

A sole source tender may be called if in the opinion of the tendering authority:

- a) only one business is available and capable of undertaking the work, or
- b) the work is out of a proprietary nature and only one business can do the work, or
- c) the work to be undertaken is an Emergency, or
- d) the work is within the signing authority of Director.

The President must approve all other sole source contracts.

For any sole source award the contract authority must complete and have approved an Exemption from Tender form. This form will be forwarded to the Logistics Group. The Chief Executive Officer or Directors may approve exemptions up to their signing authority.

In all other instances, the competitive bidding process will apply.

## 2.1 Informal Tendering

[Paramount WorkPlace](#) is NTPC's web-based electronic purchasing and requisitioning system used for informal tendering. Any request for materials, both inventory and non-inventory should originate in this system as a user submitted requisition.

Once a requisition is submitted, it will follow routing rules setup to match NTPC's Policy on [Signing Authority \(F -01\)](#). The requisition will flow through different levels of approval depending on who submitted the requisition and the total cost of materials requested. Once the requisition has been fully approved by all required parties, the requisition will be forwarded to Logistics for review.

Logistics will review the requisition to determine the best way to fulfill the request, usually issuing the materials from inventory or converting the requisition into a Purchase Order within NTPC's financial system – Microsoft Dynamics GP.

Paramount WorkPlace has direct ties into Microsoft Dynamics GP so the user is able to select the appropriate data (project, coding, vendors, items, etc) directly from the financial system upon creation of the requisition. This helps speed up the processing of each requisition and gives approvers a better view of the accounts affected.

For more information on how to use WorkPlace, please visit the [Information Systems Online Training Library](#).

## 2.2 Formal Tendering

As explained in Section 1, a contract authority must be authorized to contract for the particular type of goods or services being purchased. As a rule, every contract for the purchase of goods, services, or construction must be tendered so as to promote the submission of competitive bids.

Essentially, a contract based on competitive tender is awarded to the contractor who submits the lowest price to do the work, as the lowest price is considered to be the best deal. The type and amount of work must be described accurately and all interested contractors must be given identical information so they all know exactly what is to be done. Dealings with contractors must be absolutely fair to every competing contractor and must also appear to be absolutely fair. Wherever possible, the description of goods or services being purchased must be as generic and universal as possible so as not to favour a particular supplier.

A competitive proposal-based contract must be awarded to the proponent who offers the best value to the Northwest Territories Power Corporation. The best value cannot be based on price alone, because a detailed description of the work is not possible. The type, quality and amount of work proposed, the methods proposed, and the proponent's experience and qualifications are usually as important as price. The best proposal can even be the most costly, which is very different from a tender-based contract.

## 2.3 Sole Source

A contract authority may omit the competitive tender or proposal process if he or she believes, on reasonable grounds, that: Only one business is available and capable of undertaking the work, or the work is of a proprietary nature and only one business can do the work, or the work to be undertaken is an Emergency, or the work is within the signing authority of a director.

The President of the Corporation may also give the work to a specific company.

For any sole source award the contract authority must complete and have approved a [Request to Tender / Exemption from Tender Policy](#), a [Justification for Sole Source](#), and a [Request for Authority to Enter into Contract](#) form. The Chief Executive Officer or Directors may approve exemptions up to their signing authority.

In all other instances, the competitive bidding process will apply.

## **2.4 Special Contacts**

Certain types of contracts have special conditions or limitations within the contract. Contracts for Air Charters, Legal Service Contracts, Real Estate Contracts and Property Leases, Equipment Leases and Insurance Contracts are Special Contracts. Only the Finance Department has the authority to make these contracts. Please consult with the Chief Financial Officer before entering into any of these special contracts.

### 3. Corporate Purchasing Card

The Corporate Purchasing Card program was implemented to enable the client department to purchase low value goods where it is efficient, economical and operationally feasible to do so. The intent is to streamline the expenditure cycle by allowing the cardholder to complete the transaction, thereby reducing the time spent preparing requisitions and purchase orders, receiving, processing invoices and creating cheques for these low dollar-value transactions.

Applications are made through the Regional Finance Manager. Card holder responsibilities, procedures and restricted item purchases are found in the Corporate Purchasing Card Guidelines that accompany the P-card application. Training on reconciling your P-card can be found in the [Information Systems Online Training Library](#).

## Appendix A - Glossary

**administrative monitor** - a person employed by the Corporation who is responsible for implementing and managing the administrative requirements of the tender process.

**administrative requirements** - relates to the administration of the tender process.

**approval authority** - a person employed by the Corporation who has been delegated a signing authority for reviewing, verifying and approving a request for payment made pursuant to an approved contract, typically associated with Project Monitor.

**best value** - overall choice, includes all options (ie: price, product)

**bid** - an offer to perform a contract for the provision of goods and/or services at a specified price. A bid is submitted in response to a tender, also referred to as a tender Bid.

**bid security** - security provided by the bidder as part of the formal tender submission to the Corporation that ensures that if the Corporation accepts the bid, the bidder will enter into a contract to perform the work and in addition will provide contract security.

**budget quote** - a price requested of and received from a supplier or number of suppliers of goods and services for the purpose of preparing an estimate. No tender is issued in order to receive a budget quote and no obligation shall be created upon the Corporation as a result of receiving a budget quote. Budget quotes are not requested or received once a tender process has been initiated.

**contract authority** - a person employed by the Corporation who has been delegated signing authority and unless otherwise restricted, is therefore empowered to authorize the issuing of a tender. Contract authority is limited, individually, by signing authority and the contract authority is responsible for the effectiveness of the purchasing decision.

**construction** - work to build, supply, repair, renovate, restore, maintain or demolish a structure and includes the hiring of equipment necessary for that work.

**consultant** - a corporation or organization that employs individuals recognized as professionals by membership in a regulatory association established pursuant to Territorial or Provincial statutes or individuals and corporations with recognized credentials in a scientific, technical, managerial, accounting or any other field that is applicable and at times required to the total operation of the Corporation.

**consulting services** - services provided by a consultant.

**contract** - an agreement for the purchase of goods, construction or services.

**contract security** - security provided by a contractor to ensure that contract commitments are met and that all sub contractors are paid.

**Corporation** - the Northwest Territories Power Corporation.

**emergency** - a situation where the failure to do work immediately could in the opinion of the tendering authority, result in a major disruption to the Corporation's services and/or infrastructure, or would result in contingent risks that could severely affect the Corporation's ability to provide services.

**formal tender** - a tender that is requested and responded to in writing and is extended by the use of the Corporation's standard tender documents.

**goods** - materials, goods or equipment, whether in existence or not at the time of the contract.

**informal tender** - a tender that is requested and responded orally or in writing.

**invitation to tender** - an invitation to interested bidders to submit prices in respect to a tender document prepared by the Corporation.

**invitational tender** - a tender that is extended to a selected number of firms. May be restricted (only those invited may bid) or non-restricted (other firms may bid if they wish).

**letter of acceptance** - a letter pursuant to a tender bid provided to the successful bidder, approved and signed by the contract authority, which forms a legally binding contract between the Corporation and the successful bidder.

**letter of intent** - a letter pursuant to a tender bid provided to the apparently successful bidder, that indicates that a contract will likely be entered into with the bidder.

**lump sum price** - a price that is the total amount payable under the terms of a contract and the total price will not decrease or increase except by the approval of a change to the work approved in accordance with the terms and conditions of the contract.

**lump sum price contract** - a contract based on a tendered lump sum price.

**major project** - a project for which the total cost for all of the work including overheads and AFUDC exceeds \$5 million or 10% of the community rate base.

**material nature** - something that is important enough to influence a party in making a decision or was considered in making the decision.

**material** - equipment, apparatus and supplies used.

**northern business** - a business that complies with the legal requirements to carry on business in the NWT and is physically located in the NWT.

**northern content** – the portion of the contract (ie: travel, transportation, labour, equipment rental and materials) that will be purchased in the NWT from any northern business or supplier.

**northern preference** – a) to support our customers northern suppliers will receive a 10% preference on the purchase price of goods, materials and “northern content” of tender bids and b)to encourage the use of the northern workforce and northern suppliers, non-northern contractors are eligible to receive a 10% preference for northern content of tender bids. In the application of a) and b), bids will be reduced by the amount of the preference for evaluation purposes. The maximum dollar adjustment is \$250,000.

Diesel/gas generating sets, fuel and lubricants are exempt from northern preference.

The Corporation may remove contractors from the northern preference eligibility list for non-compliance with contract provisions. In northern communities where there are two or more qualified local contractors for work estimated at less than \$75,000 the Corporation will invite only the local contractors to bid on the work. If there is only one qualified local contractor in the community, the Corporation will invite the local contractor as well as at least one other qualified contractor.

**planholder log** – the Corporation will keep a log of all companies that request and are sent formal tender documents, including addenda. The planholder's log is a public document and can be sent to anyone who requests it.

**pre-qualification** – a formal or informal process undertaken either on a project specific basis or on a regularly updated basis to determine companies that are considered sufficiently qualified to be able to undertake and complete specific types of contracts for the Corporation in a safe and competent manner.

**project monitor** – the Corporation employee responsible for the project.

**proposal** – a written submission from a consultant in response to a request for proposal issued by the Corporation.

**public tender** – an invitation to tender that is advertised publicly and to which any interested firm may submit a tender bid.

**restricted items** – goods and/or service requirements for which there are restrictions placed on the normal procedures for tendering.

**request for proposal (RFP)** – a written request for proposal, using a collective number, to gather proposals submitted by perspective vendors. The RFP allows the bidder to "propose" different methods of carrying out the work.

**responsible** – in relation to a tender or proposer, the capability in all respects, to perform fully the contract requirements and the integrity and reliability to assure performance of all of the contract obligations.

**responsive** – in relation to a tender, that the tender conforms in all material respects to the invitation to tender.

**request to tender** – the request to initiate the formal tender process.

**scope** – the technical conditions and specifications of a job; the overall requirements of a specific project.

**services** – any service except the provision of goods.

**signing authority** – authority delegated to persons employed by the Corporation, empowering them to commit the Corporation to legally binding obligations, but which are limited by dollar amounts and may be limited to certain types of obligations. Exercising of an individual signing authority is typically limited to the area of the employee's functional role and responsibility.

**standard documents** – formal documents approved for use by the Corporation.

**technical monitor** – a person employed by the Corporation who is responsible for defining the technical requirements of the goods and services.

**technical requirements tender** – the process of inviting the submission of a bid or bids for the purchase of goods and/or services. Also referred to as an invitation to tender. Bids may be invited from one or more sources.

**tender bid** – see bid.

**tender call** – means an initiative to issue an invitation to tender. See tender.

**tender close** – the time indicated in the tender after which tender bids will not be accepted.

**tender documents** – forms, relating to tender. Examples include: RFQ, plans and specifications, terms and conditions, standard contract form.

**tender log** – a list of all formal tenders issued by the Corporation and accompanied by the tender number issued by the Logistics Group.

**tender period** – the timeframe in which the tender is out, beginning with the issue date and ending with the closing date.

**tender process** – begins with the documents describing the requirements of the goods and services (ie: plans, specifications, and/or a requisition and/or request for tender) are received by the tendering authority.

**tendering authority** – an employee or organizational unit or the Corporation which is given authority to implement and manage a tender process on behalf of a contract authority and which may include issuing of an invitation to tender, advertise, receive tender bid(s).

**unit price** – a price per unit for one or more items the quantity of which has been estimated by the Corporation.

**unit price contract** – a contract based on an estimated number of units of one or more items times a tendered unit price per item. The final price depends on the actual number of units required.

**unsolicited bid** – a bid which has been submitted without an invitation to tender.

## Appendix B - Policies & Forms

### Policies

[F-01 Signing Authority](#)

[F-1A General Signing Authority \(Schedule 1\)](#)

[F-1B Delegation of Signing Authority \(Schedule 2\)](#)

[F-02 Purchasing Policy](#)

### Forms

[Temporary Delegation of Signing or Acting Authority](#)

[Request for Authority to Enter into Contract](#)

[Justification for Sole Source](#)

[Request to Tender/Exemption from Tender Policy](#)

[Recommendation for Award](#)

[Sample Recommendation for Award](#)

