



1. Statement of Policy

The Government of the Northwest Territories may, as an alternative to traditional forms of procurement governed by the *Government of the Northwest Territories Government Contract Regulations*, enter into partnership agreements with the private sector to procure services and public infrastructure when:

- (1) the total projected threshold for procuring those services, including capital, operating and service costs over the life of the agreement, exceeds \$50 million;
- (2) there is appropriate risk sharing between the Government of the Northwest Territories and the private sector partners;
- (3) the agreement extends beyond the initial capital construction of the project;
- (4) the arrangement results in a clear net benefit as opposed to being merely neutral in comparison with standard procurement processes.

2. Principles

The Government of the Northwest Territories will adhere to the following principles when implementing this Policy:

- (1) The Public-Private Partnership process should be transparent, accountable and ensure that public control is preserved.
- (2) Public-Private Partnership projects should provide best value for money over the life of the agreement with appropriate consideration of risk transfer, opportunities for innovation, revenue generation and community issues.
- (3) Public-Private Partnership Agreements should ensure that the Government of the Northwest Territories receives value for money while the private sector partner receives a fair return on investment.



2. Scope

This Policy applies to Government of the Northwest Territories departments, boards and agencies.

Exclusion

This Policy does not apply to Government of the Northwest Territories corporations identified in Schedule 1.

3. Definitions

Public-Private Partnership – for the purposes of this Policy, a cooperative venture between the public and private sectors, built on the expertise of each partner that best meets clearly defined public needs through the appropriate allocation of resources, risks and rewards.

Traditional forms of procurement – for the purposes of this Policy, includes contracts awarded through tenders and requests for proposals issued in accordance under *Government of the Northwest Territories Government Contract Regulations* and contract negotiations authorized by the Executive Council.

Appropriate Risk Sharing – the distribution or allocation of specific risks between public and private partners primarily determined by the rule of control; the risk should be allocated to the party best able to control the risk; if neither party is able to control a risk, then the risk is to be shared.

4. Authority and Accountability

(1) General

This Policy is issued under the authority of the Executive Council. The authority to make exceptions and approve revisions to this Policy rests with the Executive Council. Authority and accountability is further defined as follows:

(a) Chair of the Financial Management Board

The Chair of the Financial Management Board is accountable to the Executive Council for the implementation of this Policy.



(b) Deputy Minister of Finance

The Deputy Minister of Finance is accountable to the Chair of the Financial Management Board for the administration of this Policy.

(2) Specific

(a) Financial Management Board

The Financial Management Board:

- (i) will establish guidelines for implementing, managing and reporting on approved P3 Agreements;
- (ii) will establish a review process and assessment tools necessary to fully assess P3 projects in accordance with this Policy;
- (iii) will consider any P3 project proposed by a Minister to determine if a formal review and assessment should be undertaken;
- (iv) will refer proposed P3 projects considered appropriate for formal review and assessment for Standing Committee review and comment; and
- (v) may, following assessment undertaken in accordance with this Policy, authorize a Minister on behalf of the GNWT to enter into a P3 Agreement.

(b) Ministers

Ministers may recommend proposed P3 projects for Financial Management Board consideration.



5. Provisions

(1) Deputy Ministers' P3 Steering Committee

A Deputy Ministers' P3 Steering Committee is established.

- The Steering Committee shall be chaired by the Deputy Minister of Finance and include the Secretary to Cabinet, the Deputy Ministers of Infrastructure, Municipal and Community Affairs and Justice.
- The Steering Committee shall consider and share general information on P3 projects; shall review, assess and report on proposed P3 projects referred for formal review; shall monitor and evaluate the implementation of approved P3 Agreements.
- The Steering Committee shall assist in the development of assessment tools and guidelines necessary to the implementation of this Policy.

(2) Referring Proposed P3 Agreements

The Financial Management Board will refer for Standing Committee review and comment every proposed P3 project considered appropriate for formal review and assessment.

Any P3 project referred under this provision will be referred in confidence.

(3) Assessing Proposals

When assessing a proposed P3 project, the Financial Management Board will consider:

- the results of the formal review undertaken by the Deputy Ministers' P3 Steering Committee; and
- whether the proposed P3 project provides best value for money over the project lifecycle when compared to a traditional procurement process.



- any concerns raised or recommendation offered by Standing Committees.

(4) Implementation

P3 Agreements approved under this Policy will be implemented, managed and reported on in accordance with Financial Management Board approved guidelines.

(5) Reassignments

Any P3 Agreement entered into under this Policy will incorporate provisions restricting the private sector partners' ability to further assign or subcontract the Agreement without the consent of the Government of the Northwest Territories.

7. Prerogative of the Executive Council

Nothing in this Policy shall in any way be construed to limit the prerogative of the Executive Council to make decisions or take action respecting Public-Private Partnership Agreements outside the provisions of this Policy.

Signature of the Premier and Chairman of the Executive Council

Premier and Chairman of the
Executive Council



SCHEDULE 1

SCHEDULE OF NORTHWEST TERRITORIES PUBLIC CORPORATIONS TO WHICH THE PUBLIC-PRIVATE PARTNERSHIPS POLICY DOES NOT APPLY

1. The NWT Power Corporation established by the *Northwest Territories Power Corporation Act*.
2. The NWT Business Development and Investment Corporation established by the *NWT Business Development and Investment Corporation Act*.
3. The NWT Hydro Corporation established under the *NWT Hydro Corporation Act*.