



Issue Date: April 1997	Amended Date: March 24, 2022	Responsible Agency: Office of the Comptroller General/Department of Community and Government Services	Directive No: 808-3
Chapter: Control of Expenditures			
Directive Title: GOVERNMENT CONTRACTS – LOCAL CONTRACT AUTHORITY			

1. POLICY

The Government supports local Nunavut suppliers through the local procurement of goods and services and the efficient use of governmental resources. The Government uses a Local Contract Authority (LCA) system for direct procurement of goods and services from local suppliers within a set limit.

2. DIRECTIVE

The Department of Community and Government Services is responsible and accountable to provide a Local Contract Authority system for purchases of goods and services not exceeding \$5,000.

In accordance with the Government Contract Regulations and Financial Administration Manual (FAM) Directive 802-1 Financial Signing Authorities, Ministers and Deputy Ministers may delegate LCA authority to public officers who have expenditure authority. Contract authorities must exercise LCA within their delegated limit and LCA limit in accordance with the provisions of this directive.

The definitions of terms used in FAM Directives 808 Government Contracts series can be found in Appendix E of FAM Directive 808 Government Contracts – General.

This directive applies to all government departments.

3. PROVISIONS

- 3.1. LCA may only be exercised for direct procurement of goods and services from suppliers located in Nunavut.
- 3.2. A purchase under LCA must not exceed \$5,000. The purchases may not be split into separate contracts in order to circumvent this maximum value or the Contract Authority's delegated monetary limit.
- 3.3. Only a single LCA form may be used for any agreement or understanding involving LCA. That single form must identify all aspects of any such agreement and may not relate to any other agreement or understanding.
- 3.4. Contracts made under LCA may be made without competitive tender and shall not exceed 30 calendar days duration. All goods and services must be provided within this time period.
- 3.5. Purchases under issuing an LCA must be properly authorized by the expenditure authority. By signing the LCA purchase form the purchase authority provides the expenditure officer certifications required under s.44 of the *Financial Administration Act*.
- 3.6. The LCA form is the written purchase document for locally available goods and simply describable and performable services. A purchase made under LCA must be made in writing, on an accountable LCA form within a LCA contract form booklet.
- 3.7. Deputy Ministers must be stringent in delegating Contract Authority and must ensure a tight control over LCA forms to prevent unauthorized personnel from making purchases.
- 3.8. Every purchase under LCA includes the clauses listed in Appendix A. These clauses are printed on the back of the LCA form.
- 3.9. A short description of the goods or services procured under LCA (e.g., office supplies, computer training) must be written on the LCA form for all purchases. The supplier's invoice must be attached to the form used for data entry and payment authorization.
- 3.10. LCA and the corresponding forms must not be used to hire or pay employees.



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- 3.11. If there is reason to believe that there may be a risk of bodily injury or property damage in the performance of a proposed contract, the Contract Authority must consult the Risk Management section of the Department of Finance.

- 3.12. The Office of the Comptroller General shall be consulted to resolve any issues with implementation, compliance, and interpretation of this directive.

APPENDIX A**CONTRACT CONDITIONS WHICH APPEAR ON THE LOCAL CONTRACT
AUTHORITY (LCA) FORM**

The parties to this contract covenant and agree as follows:

1. Statutory Condition: In compliance with s.46 of the *Financial Administration Act* as amended or re-enacted in successor legislation during the term of this contract, it is a condition of this contract that an expenditure pursuant to this contract will be incurred only if there is a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required under the contract.
2. The Contractor's obligations must be fully discharged within 30 calendar days of commencement of the contract.
3. The maximum amount payable under the contract must appear on the LCA form.
4. The Contractor agrees to indemnify and save harmless the Government of Nunavut (GN) from and against all claims, loss, damages, suits, or other proceedings, by whomsoever made, brought or prosecuted in any manner based upon, occasioned by or attributable to the activities of the Contractor under this contract.
5. LCA forms cannot be segregated (more than one) in order to circumvent the limit for a single contract. A separate LCA form must be issued each time a contract is made.
6. The various works or services are to be carried out and completed to the full satisfaction of the officer signing for the GN.
7. The Contractor may not assign or subcontract this contract or any part thereof without the written consent of the GN.
8. The GN reserves the right to terminate this contract at any time before completion for any reason whatsoever. In the event of such termination, the GN will pay to the Contractor an amount that, in the opinion of the officer signing for the GN, is equal to that portion of goods/services completed up to the day of termination.
9. The Contractor agrees to comply with the provisions of the *Workers' Compensation Act* and the *Labour Standards Act* of Nunavut.



10. The Contractor will pay all its employees performing work or services pursuant to this contract such fair and reasonable wages as are generally accepted as current for competent workers in the district in which the work or services are being performed for the character or class of work in which such employees are respectively engaged.
11. The total contract amount shall exclude the Goods and Services Tax (GST). However, the Contractor may invoice for GST and the GN will pay the GST.