

Yukon Manufactured Products Information

NOTE:

To be eligible for the rebate products must be manufactured in Yukon and must be listed in the rebate schedule.

The Business Incentive Policy Rebate Schedule identifies rebates provided to suppliers of Yukon manufactured products as defined by the two applicable policies (for complete copies of the policies contact the BIP office, 667-3505):

Under Policy 2.4 – Construction

- Yukon manufactured goods must be incorporated, by contractors, into eligible Yukon government construction projects of any size

Under Policy 2.5 – Goods and Services

- Yukon manufactured goods must be purchased directly by the Yukon government through competitive tenders only

This schedule presents rebates on the basis of the following:

- Rebates are based on the industry of manufacture (as designated by the North American Industry Classification Code or NAICS) and the proportion of industry costs due to wages (wage share);
- Industry categories:
 - Category 1: Zero rebate because the product does not compete with imports (i.e. ready-mix concrete, because of the nature of the product, must be produced locally or not at all)
 - Category 2: Rebate equal to the wage share, but capped at 20%; applies to all industries which are represented in the Yukon by local firms
 - Category 3: Rebate equal to the wage share times 1.5 but capped at 30%; applies to all industries without any local representation, and the designation normally to last 3 years from commencement of local production (i.e. start-up of local firm)

Purchased Goods & Services

- Rebate = bid price of product to be sold to the Government X rebate rate
- Manufacturers/Suppliers, when bidding, must indicate that the goods will be manufactured in the Yukon
- Procurement Services will indicate on the Purchase Contract what the rebate amount will be
- Manufacturer certifies on the invoice that the goods were manufactured in the Yukon

Incorporated Into Construction

- Rebate = rebate rate x sale price to contractor minus GST.
- The products sold to contractors must have been incorporated into an eligible Government of the Yukon construction project.
- Applications for rebates for Yukon manufactured materials are available at the Business Incentive Office.

ADDITIONAL INFORMATION ON THE REBATE INCENTIVES FOR GOODS AND SERVICES PURCHASED BY THE GOVERNMENT:

Responsibilities	
Supplier	When bidding on Yukon government tenders for the purchase of products, identify on the tender form, those products that will be locally produced or manufactured. The rebate available for that product under the Business Incentive Policy will be equal to its bid price to the Yukon government multiplied by the Incentive Rebate Rate.
Supplier	When invoicing the government for such products, the supplier identifies the value of the products and the applicable rebates as separate items on the invoice (as noted below).
Contracting Authority	Once the invoice is received, the contracting authority pays for all items <u>except</u> the rebate. It then forwards a copy of the invoice and associated cheque requisition to the Business Incentive Office, which processes and pays the rebate.
Dept of Infrastructure	Business Incentive Office reviews tender to validate the applicability of rebate rates to those products. Award is based on bid price submitted. Value of rebate (excluding freight charges) is calculated and becomes part of the Purchase Order.

When suppliers submit tenders for the purchase of their Yukon-manufactured products by the Yukon government, the Business Incentive Policy for Goods and Services applies. Goods rebates will be paid in addition to the bid price. This gives Yukon manufacturers a competitive edge over imported products.

Here is an example of how to take the rebate into account when calculating your bid price:

- Calculate your price in the normal way. Then you may reduce your bid to reflect the impact of the Business Incentive Program rebate. **Remember** that the rebate is based on value of the product and **does not** include freight, installation or other associated costs.

To determine how much your bid can be reduced, make the following calculation:

- Divide your cost to manufacture by the rebate rate plus 100, then multiply by 100 to obtain your BID price

SAMPLE CALCULATION:

Product A is valued at \$340.00.

The rebate rate is 18%.

The rebate plus 100 is 118.

340 divided by 118 = 2.88

2.88 X 100 = \$288.14 (bid price)

\$288.14 plus 18% = \$340.00

- Submit your bid, indicating **only the bid price** (i.e. **\$288.14** - do not show the calculations) and indicate on the tender that the product will be manufactured in Yukon.
- If you are low qualified bidder and are awarded the contract, a Purchase Contract will be issued to you for the product. The amount of the rebate will be calculated and shown on the purchase contract.
- When you deliver the goods, submit your invoice to the requesting department identified on the Purchase Order. Show the bid price and the rebate value separately, with the total price also indicated.

SAMPLE INVOICE

Purchase Order # _____

Sample Item	\$288.14
BIP rebate	\$ <u>51.86</u>
Total Due	\$340.00

“I certify that the items listed were manufactured in the Yukon, and that documentation for this claim will be provided on demand.”

(Signature of Manufacturer)