GOVERNMENT OF NUNAVUT

Contract Activity Report

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Fiscal Year 2012/13

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Purpose

The purpose of this document is to support the integrity and transparency in Government of Nunavut (GN) Contracting and Procurement Practices through annual reporting.

General Observations

The following is a brief synopsis of the statistical analysis for the fiscal year 2012/13.

- Statistically we now have 8 years of data that is comparable in that we have gathered the same data.
- The total value of contracts to Inuit firms increased by 21% from 2011/12 to 2012/13. The value of contracts to Nunavut firms increased by 183%. The value of contracts to Other firms increased by 4%.
- The number of contracts awarded is down by 3.5% from 2011/12 to 2012/13.
- It should be noted that many companies have both Inuit Firm status and Nunavut Business status. For the purposes of this report, companies with this shared status are classified as Inuit.
- The number of contracts awarded to Inuit Firms decreased by 18%, and the number of contracts to Nunavut Businesses decreased by 5% while the total number of contracts awarded to other increased by 5%.
- As the volume of contracts has decreased by 3.5% , it is interesting to note that, the volume of contracts awarded to Other firms has grown by 5% in comparison. The volume to combined Inuit and Nunavut decreased by 17%.
- Over the last five years, the volume of contracts awarded to Other firms continues to increase by 1-6% per year (54%, 57%, 58%, 61% and 67%).
- The majority of the value and volume of contracts in the categories of Architectural and Engineering, Consulting Services and Service contracts are awarded to Other (non-Inuit or Nunavut) firms. Inuit and Nunavut firms are more successful at winning contracts for Major and Minor Construction, Air Charters and Purchase Orders.
- Inuit and Nunavut firms combined (7-year trend) typically win a large volume of contracts in the categories of Minor Construction and Maintenance Services, Air Charters and Construction; and a lower volume in the categories of Architectural/Engineering, Service Contracts and Consulting Services.
- Over the past (6) six years the statistics show that the volume (number) of contracts to "Other" firms has been increasing (as a percentage share of all contracts) and the value of contracts to "Other" firms has been decreasing. This trend shows that "Other" firms are gaining greater number of contracts however, "Inuit" and "Nunavut" firms are stronger in high value Construction contracts.
- Combined Inuit and Nunavut firms win more contracts with a value of less than $25,000. As the value of contracts increases, the number of contracts Inuit and Nunavut firms win declines. This trend has been consistent over the past seven years.
- The average distribution of the volume of contracts according to value categories has been largely consistent over the past 3 years.

<= $25,000	40%
> $25,000 to <= $100,000	35%
> $100 000	25%

- The 2012/13 statistics continue to show that Inuit and Nunavut firms are more successful at winning contracts in the under $25,000 value threshold. As the value of the contracts increase, Inuit and Nunavut firms tend to win a lower percentage of the contracts. This is largely due to the fact that the Procurement Policies of the GN specify that goods and services purchases with a value less than $25,000 are sourced locally, within Nunavut, where there are 3 or more vendors able to bid and provide the good or service.
- Inuit and Nunavut firms are more successful at winning Air Charter and Minor Construction contracts in the >$25,000 and <$100,000 category.

- Inuit and Nunavut firms are more successful at winning Major and Minor Construction contracts as opposed to contracts for Consulting or Architectural/Engineering Services in the over $100,000 category.
- More Sole Source contracts of higher value are awarded to Other (non-Inuit and non-Nunavut) firms.
- The number of submissions from Inuit firms (excluding goods orders) increased by 52% from 2008/09 to 2009/10. In 2010/11, Inuit firms participation increased a further 11%. In 2011/12 we see a big increase of 35% in submissions from Inuit firms. From 2009/10 to 2011/12 we have seen a 50% increase in submissions from Inuit firms. However, the number of submissions from Inuit firms for the 2012/13 year decreased by 36%. This is a noticeable difference from the previous three years.
- Inuit and Nunavut firms (especially Inuit firms) win a greater percentage share of contracts when goods are included in the contracting statistics. Inuit and Nunavut firms are able to compete better for goods contracts rather than service contracts; however, Inuit and Nunavut firms did see some increases in Service contract awards. (This report does not analyse the value of contracts in each threshold category awarded to Inuit, Nunavut and Other. It only looks at volumes).
- The number of Inuit Firms responding to Tender calls for construction (Major Works) remained high in 2012/13. This indicates a consistent level of participation by Inuit firms in this area. Bids from Inuit Firms for Minor Works Construction and Maintenance Services also remains high.

NNI Policy Observations:

- The number of contracts that have been awarded due to the NNI Bid Adjustments remains low.
- A review of all contracts awarded due to the bid adjustments of the NNI Policy indicate the following:

Fiscal Year	Number of Contracts	% of Total	Value of Contracts	Additional Cost to the GN
2012/13	41	2.3%	$ 2,180,163	$ 89,505
2011/12	68	3.6%	$ 22,919,133	$ 616,615
2010/11	57	3.1%	$ 11,028,315	$ 166,108
2009/10	59	3.3%	$ 23,976,383	$2,055,354

Cost of Applying the NNI Policy

The table above indicates that in the fiscal year 2012/13, there were 41 contracts that were effected by the NNI Policy. This means that 41 contracts would have been awarded to different contractors if not for the NNI Policy. The additional cost of the policy to the GN in 2012/13 was $89,505. The additional cost represents the additional cost to the GN given that contracts are not awarded to the lowest bid but to the lowest after bid adjustments and other NNI policy outcomes are applied. The fiscal years 2009/10 to 2012/13 are all analyzed similarly. (In 2009/10 there was a large construction contract that fell into this category. Without that contract the cost to the GN in 2009/10 would have only been $146,354.00).

For the four years of the above analyses, the contracts are overwhelmingly (83-96%) Purchase Orders – Goods. However, purchase orders are excluded from the data analysed in Section 7 – NNI Adjustments.

Exceptions

- Note: The statistical numbers in this report do not include four (4) large categories of contracts. These are:

	2012/13	2011/12	2010/11
Medical Travel	$29 Million (est.)	$31 Million (est.)	$33 Million (est.)
Fuel (PPD)	$174 Million (est.)	$198 Million (est.)	$163 Million (est.)
Police and Laboratory Services	$34 Million (est.)	$30 Million (est.)	$28 Million (est.)
Physician Services	$23 Million (est.)	$22 Million (est.)	$11 Million (est.)

Sole Source Contract Observations

- Sole Source Contracting practices are monitored closely. The GN believes we get the best value for our money through the competitive bidding process. Section 3 of this report discusses the acceptable conditions for Sole Sourcing.
- The GN continues to review the contributing factors to contracts that have been sole sourced. We will continue to work towards reducing the occurrence of this contracting method.
- The volume of contracts Sole Sourced is 20% of all contracts awarded. This statistic is trending downward over the last five years.
- The volume of Sole Source Contracts has decreased by 3.5% from the fiscal year 2011/12 to 2012/13. This represents a 8.2% decrease in value.
- A 5-year trend analysis shows that a significant volume of Sole Source contracts is in the dollar range >$25,000 to <=$100,000. The large majority of these Sole Source contracts are Service Contracts. These Sole Source Service Contracts are overwhelmingly awarded to Other (non-Inuit and non-Nunavut) companies. Typically these are specialized services not available in Nunavut. In 2012/13, 59% of the Sole Sources were in the >$25,000 to <=$100,000 range.

Objective

The Government of Nunavut is committed to accountability, achieving greater transparency, and upholding the highest ethical standards in contracting activities. We are committed to ensuring fair and ethical practices in carrying out our responsibilities. Standards are maintained through effective regulations, appropriate policies and procedures, ongoing training and development of GN employees, and adherence to industry best practices. The Government of Nunavut is interested in developing a business environment in which local businesses grow, prosper and increase employment opportunities within Nunavut and expand the economy in general. Accountability to Nunavummiut is accomplished through:

- Obtaining the best value for Nunavummiut overall;
- Creating a fair, open, and transparent procurement environment for vendors;
- Maintaining current and accurate information; and
- Ensuring effective approaches to meet the GN's requirements.

Introduction

This report presents statistical information about contracts entered into by GN departments as reported to CGS Procurement, Logistics and Contract Support (with the exception of Real Property Lease Contracts which are reported separately). The organization of this report is based on Section 16 of the GN Contract Procedures Manual. Information in this report is for GN contracting activity during the 2012/13 fiscal year with Inuit Labour achievement updates for construction contracts awarded the previous fiscal year.

Crown Corporations and Agencies, Boards, and the Legislative Assembly's contracting activities are not reported to CGS and are, therefore, not included in this report.

CGS cannot guarantee the completeness or accuracy of information reported by departments, however, we make best efforts to verify the information and ensure departments are fully aware of the reporting requirements set out in the NNI Policy and the GN Contracting Procedures Manual.

Report Overview

Many factors can influence the comparability of data. Unusually high or low values of reported data can result from a blend of several external factors that may not necessarily be obvious to a reader including such significant items as annual variations in operating budgets or capital budgets, policy revisions and one-time initiatives. Users of this report should seek informed explanations respecting contributing factors before making judgments and should not base judgments solely on the pie charts and tables contained in this report. Readers should also consider the many other reports and published program information made available by the GN.

This report focuses on the distribution of contracts awarded to companies, individuals or organizations in three status categories:

1. Inuit – listed on the NTI Inuit Firms Registry,
2. Nunavut – listed on the GN Nunavut Business Registry, and
3. Other – not registered as an Inuit or a Nunavut firm.

The report also analyses the participation of Inuit firms competing for GN contracts, and the employment of Inuit in GN construction and maintenance contracts. Pie charts and tables are used to illustrate the statistics presented.

Due to values being rounded to the nearest thousandth, some pie charts and percentages presented in tables may not necessarily add up to exactly 100%.

Firm Status

For this report, companies that were registered with both NTI and the GN are included in the **"Inuit"** category and not in the **"Nunavut"** category.

"Other" includes Hamlets, Housing Associations, and Inuit Organizations, and Nunavut Arctic College, as well as individuals and/or businesses that are not registered as Inuit or Nunavut firms; Other also includes businesses located in other Provinces and Territories in Canada.

All Contracts includes all types and values of contracts reported. The number and value of contracts for Inuit and Nunavut firms for all contracts is provided. A breakdown of the number of contracts and value of contracts for Goods Contracts, and for all other Contract Types is provided.

Contract Types are as follows: Air Charters, Architectural/Engineering Services, Consulting Services, Major and Minor Construction and Maintenance Services, Purchase Orders and Services Contracts. The number and value of contracts for each type are provided and illustrated in pie charts and summarized in tables. To facilitate analysis, contracts are analysed within dollar thresholds as follows:

Contracts >$25,000 to <=$100,000

Contracts >$100,000

Contracting Methods include contracts awarded by Public, Invitational and Sole Source contracting methods. Contracts are also analysed within the same dollar thresholds as described in Contract Types. The number and value of contracts for each method are illustrated in pie charts and summarized in tables. Sole Source contracts are examined further by breaking out the Contract Types awarded to the status category of Other (not registered).

Contracts Awarded to Local Businesses provides the number and value of contracts awarded to Inuit Firms and Nunavut Businesses that are Local to the community where the goods, construction, and/or services are required. The number and value of contracts to Local are illustrated in pie charts and summarized in tables.

Submissions Received provides information about the number and status of firms bidding for Contracts – Excluding Goods and Sole Source awards. The number of bids and the number of bids from Inuit firms for competitive contracting are provided for the main Contract Type categories and is also illustrated in pie charts and tables.

Inuit Labour provides Inuit labour information for Minor Construction and Maintenance Services and Major Construction contracts.

NNI Adjustments This section provides information about contracts where the NNI adjustments resulted in the company being awarded the contract, when the company would not have otherwise won the contract without the adjustment. The number and dollar value of contracts won due to NNI adjustments are provided for Inuit and Nunavut businesses.

Comparison to Prior Year This section looks at the number and dollar value of contracts to Inuit, Nunavut and Other, awarded by all departments under the Revised NNI Policy which came into effect on April 1, 2004. This policy was revised to allow non local Inuit and Nunavut firms to receive the local bid adjustment on April 20, 2006.

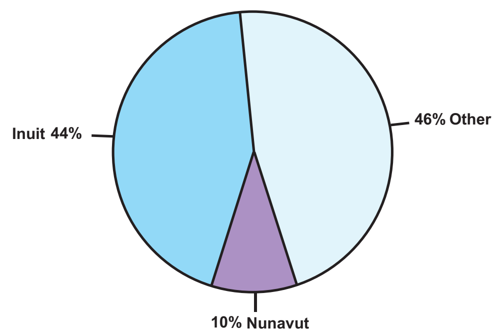
Summary

1. All Contracts

The chart below *"Government of Nunavut Distribution of All Contracts Awarded by Status Category – Based on Value"* totals all contracts by value and status category.

"All Contracts" includes all contracts in excess of $5,000. The introduction of a $5,000 threshold for reporting purposes is consistent with recommendations provided by Members of the Legislative Assembly. This section examines the value and volume of all contracts awarded to Inuit, Nunavut and Other.

Government of Nunavut
Distribution of All Contracts Awarded by Status Category
Based on Value
2012/13



The pie chart and table above illustrate the value of contracts awarded to Inuit, Nunavut and Other firms.

In 2012/13 the total value for all contracts was $352,624,000 (rounded to the nearest thousand dollars). $154,235,000 was awarded to Inuit (44%), $34,435,000 to Nunavut (10%) and $163,954,000 to Other (46%). For the purposes of this report, companies with Inuit and Nunavut status are included in Inuit.

Distribution of All Contracts Awarded by Status Category – Based on Value (Thousands)

Year	Awarded		Inuit		Nunavut		Other	
2012/13	$352,624	100%	$154,235	44%	$34,435	10%	$163,954	46%
2011/12	$297,132	100%	$127,575	43%	$12,176	4%	$157,381	53%
2010/11	$271,132	100%	$ 92,566	34%	$18,553	7%	$160,013	59%

It is worthwhile to note that the category Other in this report includes specialized care contracts awarded by HSS, Airport Maintenance and CARS contracts awarded by EDT to various Nunavut Hamlet's (Municipal Corporations) and IT contracts by CGS. The Other status category captures all other entities that for a variety of reasons do not fall within the status category of Inuit and Nunavut; as is the case for many of these contracts awarded to Nunavut-based individuals and entities.

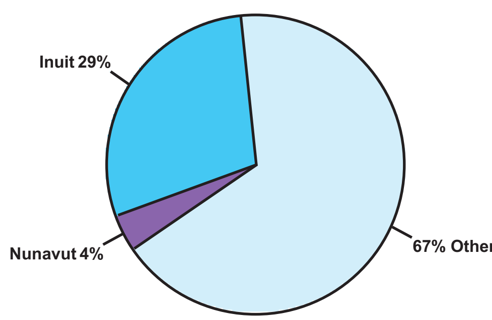
A six year trend analysis shows "Inuit" and "Nunavut" firms win an average of 45% of the value of contracts and "Other" wins 55%. Over the last six years we see a slow decrease in the overall percentage of contract dollars to "Other" and a slow increase to "Inuit" and "Nunavut."

If we exclude contracts awarded to sole proprietorships/individuals, Residential Care and Treatment facilities and health care providers, hamlets, municipal corporations, and related entities such as QEC, we find that a significant number of the contracts awarded to entities that fall within the Other category represent business sectors in the Nunavut economy which are at a competitive disadvantage, or are otherwise underdeveloped. In some cases we find that the Nunavut economy has insufficient volume to develop and maintain a successful business sector or industry. Challenges to successful entry and growth in some business sectors include the limited local market demand in Nunavut for a relatively small and widely distributed population, transportation costs in this vast geography, sufficient critical mass in skilled labour, trades and professionals and infrastructure, delivery and/or sale volumes relative to initialization, and set up costs coupled with high operating costs of business operations. Such an operating environment and market conditions can, in certain business sectors, create significant challenges for Nunavut's entrepreneurs.

The Other category may also be viewed as possessing some underdeveloped market opportunity within Nunavut for Nunavut's entrepreneurs particularly in professional services and health care. Some of the general categories of goods and services consumed by government that fall within the Other category include: Informatics and Systems, Software, Education Books, Training Aids, Engineering and Architectural Service Firms and Specialized Training and Consulting. Because the local market place cannot satisfy the needs, often these types of contracts are Sole Sourced. A listing of contracts awarded by Government of Nunavut is reported annually in the report entitled the **Procurement Activity Report**.

The chart below *"Government of Nunavut Distribution of All Contracts Awarded by Status Category – Based on Volume"* totals all contracts by volume and status category.

Government of Nunavut
Distribution of All Contracts Awarded by Status Category
Based on Volume
2012/13



Distribution of All Contracts Awarded by Status Category – Based on Volume

Year	Awarded		Inuit		Nunavut		Other	
2012/13	1,814	100%	533	29%	72	4%	1,209	67%
2011/12	1,880	100	654	35	76	4	1,150	61
2010/11	1,822	100	637	35	121	7	1,064	58

The pie chart and table above illustrate the volume (number) of contracts awarded to Inuit, Nunavut and Other firms.

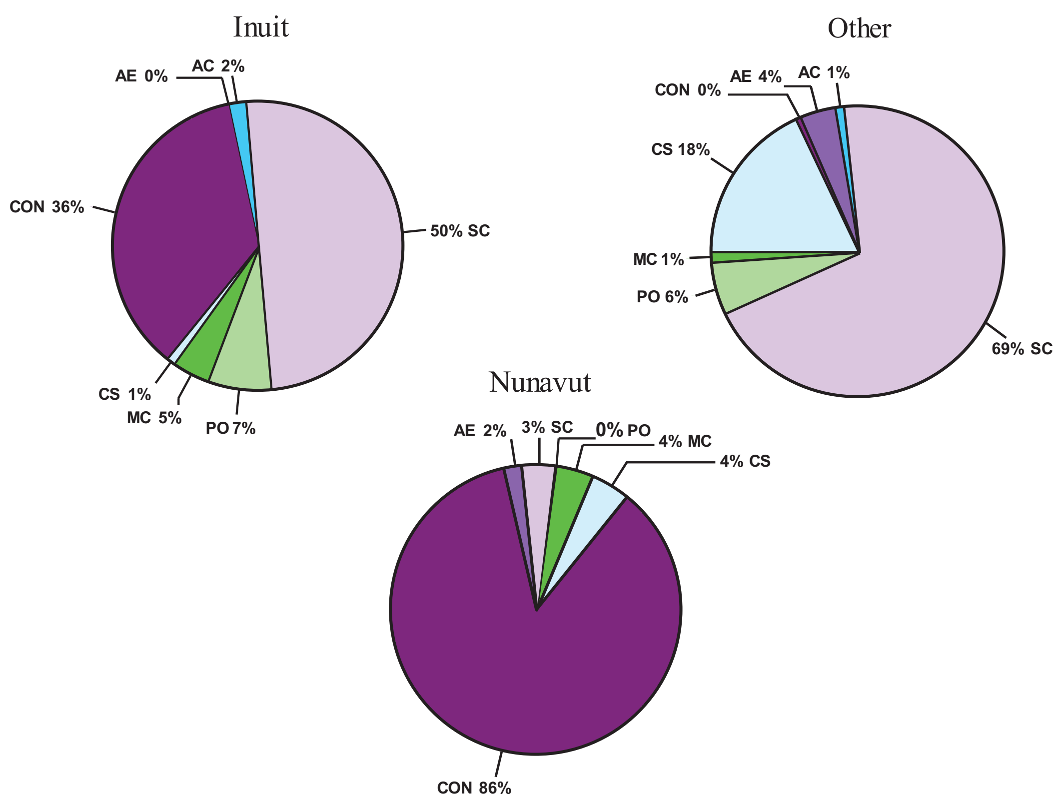
The total volume for all contracts was 1,814. Inuit were awarded 533 or 29%, 72 were awarded to Nunavut (4%) and 1,209 went to Other (67%). These values reflect a decrease of 3.5% in the number of contracts issued. The volume of contracts awarded to "Other" increased by 5%.

A six-year trend shows Inuit and Nunavut firms win an average 41% of the volume of contracts, and Others win 59% of the volume.

Over the last six years we see an overall slow increase in the overall percentage of the number of contracts to "Other" and a slow decrease to "Inuit" and "Nunavut."

The chart below *"Government of Nunavut Distribution of Contracts Awarded by Type – Based on Value"* summarizes the distribution of contract types awarded to Inuit, Nunavut, and Other by value.

Government of Nunavut
Distribution of Contracts Awarded by Type
Based on Value
2012/13



Distribution of Contracts Awarded by Type – Based on Value
2012/13
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 4,277	1%	$ 2,738	64%	$ -	-%	$ 1,539	36%
Architectural/Engineering (AE)	7,411	2	7	-	692	9	6,712	91
Construction (CON)	85,714	24	55,545	65	29,480	34	690	1
Consulting Services (CS)	32,615	9	1,304	4	1,507	5	29,804	91
Minor Construction or Maintenance Services (MC)	10,595	3	6,945	66	1,480	14	2,170	20
Purchase Orders (PO)	19,883	6	10,560	53	99	-	9,225	46
Service Contracts (SC)	192,128	54	77,137	40	1,177	1	113,814	59
Total	$352,624	99%	$154,235	44%	$34,435	10%	$163,954	46%

2011/12
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 29,590	10%	$ 2,345	8%	$ -	-%	$ 27,245	92%
Architectural/Engineering (AE)	9,022	3	364	4	998	11	7,660	85
Construction (CON)	48,679	16	39,451	81	3,196	7	6,032	12
Consulting Services (CS)	24,149	8	662	3	123	1	23,364	97
Minor Construction or Maintenance Services (MC)	12,077	4	9,614	80	2,065	17	398	3
Purchase Orders (PO)	22,880	8	9,855	43	142	1	12,883	56
Service Contracts (SC)	150,736	51	65,284	43	5,653	4	79,799	53
Total	$297,133	100%	$127,575	43%	$12,177	4%	$157,381	53%

2010/11
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 25,324	9%	$ 6,933	27%	$ 16	-%	$ 18,375	73%
Architectural/Engineering (AE)	4,167	2	418	10	35	1	3,714	89
Construction (CON)	59,494	22	34,618	58	11,128	19	13,748	23
Consulting Services (CS)	54,993	20	21,508	39	1,382	3	32,103	58
Minor Construction or Maintenance Services (MC)	14,362	5	9,624	67	2,902	20	1,836	13
Purchase Orders (PO)	21,754	8	9,987	46	616	3	11,151	51
Service Contracts (SC)	91,036	34	9,478	10	2,473	3	79,085	87
Total	$271,130	100%	$92,566	34%	$18,552	7%	$160,012	59%

This sub-section analyses the distribution of the seven (7) main Contract Types in use at the GN, by value to Inuit, Nunavut and Other. The tables indicate the values of each contract type. The pie charts in the previous section illustrate the distribution of contract dollars to Inuit, Nunavut and Other for each contract type. For example, in 2012/13 out of $154,235,000 to Inuit Firms, 50% was for Service contracts and 36% was for Major Works Construction.

Inuit and Nunavut companies, in general, are awarded the majority of the volume of Air Charter contracts (63%); this represents 64% of the Air Charter contract value in 2012/13.

Inuit and Nunavut firms generally win a greater volume of minor and major construction contracts.

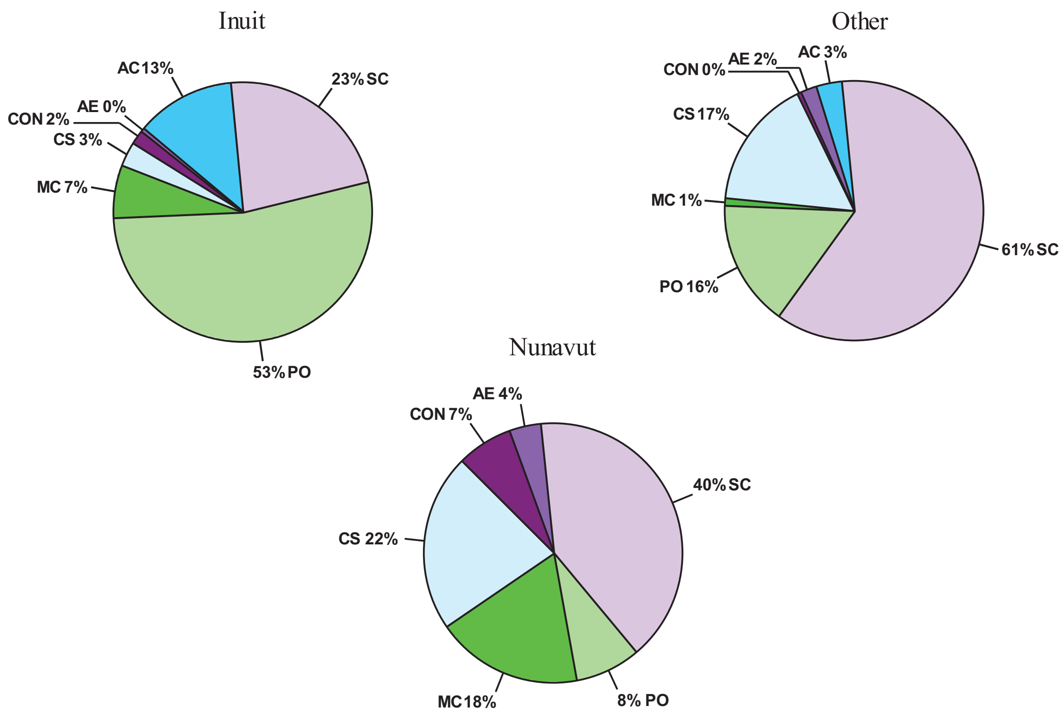
The tables above indicate that as the total value of contracts increased (18.7%) in 2012/13 the value of contracts to Other increased by only 4%.

The pie charts indicate the percentage value of contracts to Inuit by type. Out of all the contracts that were won by Inuit firms, $55,545,000 or 65% were for construction – Major Works contracts.

Over the last three reporting years, we see that the combined Inuit and Nunavut firms have on average won a majority of the value of major construction (88%) and a majority of the volume (89%).

The chart below *"Government of Nunavut Distribution of Contracts Awarded by Type – Based on Volume"* summarizes the distribution of contracts awarded by volume.

Government of Nunavut
Distribution of Contracts Awarded by Type
Based on Volume
2012/13



Distribution of Contracts Awarded by Type – Based on Volume 2012/13

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	107	6%	67	63%	-	-%	40	37%
Architectural/Engineering (AE)	30	2	1	3	3	10	26	87
Construction (CON)	16	1	10	63	5	31	1	6
Consulting Services (CS)	232	13	16	7	16	7	200	86
Minor Construction or Maintenance Services (MC)	59	3	36	61	13	22	10	17
Purchase Orders (PO)	480	26	282	59	6	1	192	40
Service Contracts (SC)	890	49	121	14	29	3	740	83
Total	1,814	100%	533	29%	72	4%	1,209	67%

2011/12

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	121	6%	70	58%	-	-%	51	42%
Architectural/Engineering (AE)	32	2	2	6	5	16	25	78
Construction (CON)	20	1	12	60	5	25	3	15
Consulting Services (CS)	82	4	10	12	2	2	70	85
Minor Construction or Maintenance Services (MC)	84	4	61	73	15	18	8	10
Purchase Orders (PO)	526	28	296	56	5	1	225	43
Service Contracts (SC)	1,015	54	203	20	44	4	768	76
Total	1,880	100%	654	35%	76	4%	1,150	61%

2010/11

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	104	6%	63	61%	1	1%	40	38%
Architectural/Engineering (AE)	31	2	1	3	1	3	29	94
Construction (CON)	32	2	24	75	4	13	4	13
Consulting Services (CS)	80	4	12	15	2	3	66	83
Minor Construction or Maintenance Services (MC)	100	5	71	71	13	13	16	16
Purchase Orders (PO)	532	29	311	58	20	4	201	38
Service Contracts (SC)	943	52	155	16	80	8	708	75
Total	1,822	100%	637	35%	121	7%	1,064	58%

This sub-section analyses the volume distribution of the seven (7) main contract types at use at the GN, by volume, to Inuit, Nunavut and Other. The table above indicates the volumes of each contract type. The pie charts illustrate the volume of contracts awarded to Inuit, Nunavut and Other for each contract type.

Over the last four (4) fiscal years, combined Inuit and Nunavut firms performed best in the categories of Major Works Construction, Minor Construction and Maintenance and Air Charters. In 2010/11 the numbers show that the combined Inuit and Nunavut firms competed well in the categories of Minor Construction and Maintenance Services (84% of the total volume), Air Charters (62% of the total) and Construction (88% of the total). In 2011/12, the numbers show that Inuit and Nunavut firms have gained some ground in Minor Construction and Maintenance Services (91%) and lost in Major Construction (85%). In 2012/13 Inuit and Nunavut firms continue to do well in Major Construction (94%), Minor Construction and maintenance (83%) and Air Charters (63%).

In 2012/13, the combined Inuit and Nunavut firms win the lowest share of contracts for Architectural and Engineering (13%), Service contracts (17%) and Consulting Services (14%). This is consistent over the last six (6) years. Generally, Inuit and Nunavut firms are able to compete successfully for Air Charters, Construction, Minor Construction and Purchase Orders for goods.

Over the last six (6) years, combined Inuit and Nunavut firms have won between 57-62% of Purchase Orders.

For the seven-year data (from 2006/07 to 2012/13), the volume of contracts to Other firms is between 54-67%. Therefore as the number of contracts overall grows, the ratio of contracts to Other firms versus the combined Inuit and Nunavut remain relatively consistant, (slightly higher in 2011/12, and 2012/13).

A closer look at the contracts awarded to non-Inuit and non-Nunavut firms or the Other category indicates that many of them are for specialized services such as open custody contracts for the Department of Justice, mental health care, specialized residential care, dental care, for the Department of Health and Social Services and information technology services for Community & Government Services. The numbers in the Other category typically also include contracts signed with the Hamlet for Community Aerodrome Radio Station Operations (CARS) and Airport Operations and Maintenance (AOM). Purchase Orders to "Other" include the Territory's annual alcohol supply and fuel re-suppliers – products that are not available for purchase in Nunavut.

2. Contract Types

This section of the report analyses contract types awarded based on three broad value categories:

Contracts > $5,000 to <=$25,000

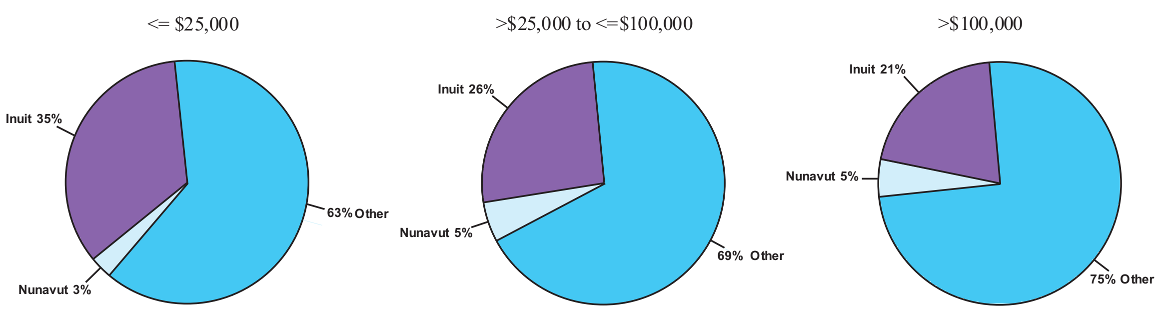
Contracts >$25,000 to <=$100,000

Contracts >$100,000

Each threshold category is first analysed by volume and value and then further broken down by volume and value to Inuit, Nunavut and Other.

The chart below *"Government of Nunavut Distribution of Contract Values Awarded – Based on Volume – Including Contracts for Goods"* summarizes the distribution of contracting values awarded by volume including contracts for goods.

Government of Nunavut
Distribution of Contract Values Awarded – Based on Volume
Including Contracts for Goods
2012/13



Distribution of Contract Values Awarded – Based on Volume – Including Goods 2012/13

Type	Awarded		Inuit		Nunavut		Other	
<=$25,000	900	50%	312	35%	25	3%	563	63%
>$25,000 to <=$100,000	588	32	154	26	31	5	403	69
>$100,000	326	18	67	21	16	5	243	75
Total	1,814	100%	533	29%	72	4%	1,209	67%

2011/12

Type	Awarded		Inuit		Nunavut		Other	
<=$25,000	878	47%	346	39%	26	3%	506	58%
>$25,000 to <=$100,000	617	33	202	33	29	5	386	63
>$100,000	385	20	106	28	21	5	258	67
Total	1,880	100%	654	35%	76	4%	1,150	61%

2010/11

Type	Awarded		Inuit		Nunavut		Other	
<=$25,000	856	47%	377	44%	73	9%	406	47%
>$25,000 to <=$100,000	573	31	168	29	28	5	377	66
>$100,000	393	22	92	23	20	5	281	72
Total	1,822	100%	637	35%	121	7%	1,064	58%

The tables above illustrate that the combined Inuit and Nunavut firms are able to compete more successfully for contracts under $25,000. As the value of the contract increases, generally Inuit and Nunavut firms do not win as many contracts. This analysis is true for all of the last eight reports.

On average (3 years) the distribution is as follows:

	Inuit/Nunavut	Other
<=$25,000	44%	56%
>$25,000 to <=$100,000	34%	66%
>$100,000	29%	71%

The pie charts and tables above set out the distribution of contracts to Inuit and Nunavut in three dollar value categories. The following are percentages of the number of contracts to Inuit and Nunavut within the dollar thresholds as specified:

- For the 2012/13 fiscal year, 50% of the overall volume of contracts were for contracts between $5,000 and $25,000; Inuit and Nunavut firms won 38% of contract volume in this value category. This is down by 4% from last year as a proportionate share.
- 32% of the contracts were in the greater than $25,000 and less than or equal to $100,000 category; Inuit and Nunavut firms won 31% (Inuit 26% and Nunavut 5%) of contract volume in this value category as a proportionate share. This is down by 7% from last year even though the total volume of contracts is down by 3.5%.
- 18% of the contracts awarded were contracts valued at greater than $100,000; Inuit and Nunavut firms won 26% of the volume of these contracts. This is down by 7% from last year.

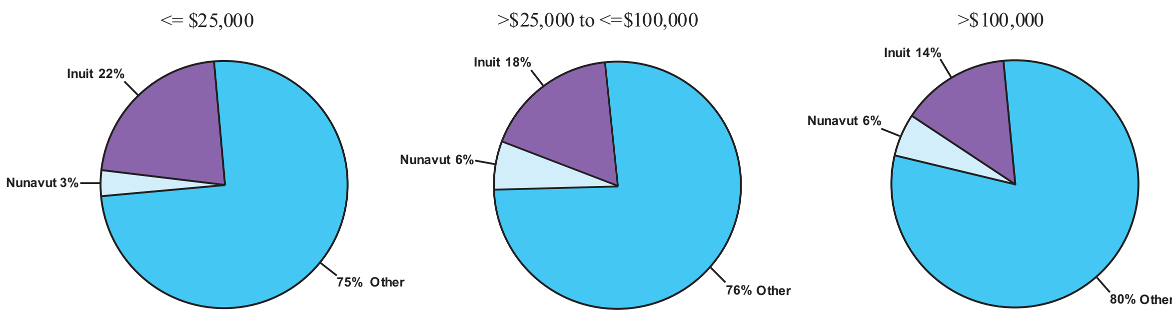
For the three years covered by this report, the volume proportions are relatively consistent:

- Contracts <$25,000 represent roughly 50% of contracts. Inuit and Nunavut combined firms win between 38-53% of these contracts.
- Contracts between $25,000 and $100,000 represent roughly 30% of the total volume and Inuit and Nunavut firms are awarded between 31-38% of these contracts.
- Contracts worth over $100,000 represent roughly 20% of the total volume and Inuit and Nunavut firms are awarded 26-33% of these contracts.
- The overall trend over the past eight (8) years shows that contractors that are in the category of "Other" (Non-Inuit, Non-Nunavut) are winning a greater proportion of the number of contracts. This represents a gain of almost 2% per year in percentage share.
- We can expect that this trend may continue. Over the last 8 years, we are experiencing a greater volume of submissions for the competitive tendering process. There are an increasing number of firms from the category of Other. In 2005/06, the submissions received were 65% from Non-Inuit firms. In 2012/13, 80% of submissions received are from Non-Inuit firms. There appears to be a direct correlation between the increase in competition in the tendering process from "Other" firms, and the increase in the number or volume of contracts they win (1.87%) per year.

Analysis Excluding Contracts for Goods

The chart below *"Government of Nunavut Distribution of Contract Values Awarded – Based on Volume – Excluding Contracts for Goods"* summarizes the distribution of contracting values awarded by volume excluding contracts for goods.

Government of Nunavut
Distribution of Contract Values Awarded – Based on Volume
Excluding Contracts for Goods
2012/13



Distribution of Contract Values Awarded – Based on Volume – Excluding Goods

2012/13

Type	Awarded		Inuit		Nunavut		Other	
<=$25,000	570	43%	125	22%	19	3%	426	75%
>$25,000 to <=$100,000	478	36	85	18	31	6	362	76
>$100,000	286	21	41	14	16	6	229	80
Total	1,334	100%	251	19%	66	5%	1,017	76%

2011/12

Type	Awarded		Inuit		Nunavut		Other	
<=$25,000	535	40%	158	30%	24	4%	353	66%
>$25,000 to <=$100,000	478	35	115	24	26	5	337	71
>$100,000	341	25	85	25	21	6	235	69
Total	1,354	100%	358	26%	71	5%	925	68%

2010/11

Type	Awarded		Inuit		Nunavut		Other	
<=$25,000	493	38%	165	33%	58	12%	270	55%
>$25,000 to <=$100,000	449	35	91	20	25	6	333	74
>$100,000	348	27	70	20	18	5	260	75
Total	1,290	100%	326	25%	101	8%	863	67%

When Goods contracts are removed, the number of contracts less than $25,000 decreases by approximately 40%. The number of contracts between $25,000 and $100,000 decreases by approximately 20%. The number of contracts over $100,000 decreases by only 12%.

In the pie charts above we examine the number of contracts excluding goods. Contracts for goods alone represents a volume of 480 or 26% of all contracts. 330 between $5,001-$25,000 (18%), 110 for $25,000-$100,000 (6%) and only 40 greater than $100,000 (2%).

Impact Inuit Firms, with goods contracts removed, Proportionate Share

- The volume of contracts > $5,000 to <=$25,000 awarded to Inuit firms decreases by 13% when goods contracts are removed.
- Contracts >$25,000 to <=$100,000 awarded to Inuit firms decrease by 8%.
- Contracts >$100,000 awarded to Inuit Firms decreased by 7%, without goods contracts.

Impact on Nunavut Businesses, with goods contracts removed

- The volume of contracts > $5,000 to <=$25,000 – Awarded to Nunavut firms in this value threshold remains unchanged with goods and contracts removed.
- Contracts >$25,000 to <=$100,000 – Awarded to Nunavut firms increases by 1%, with goods and contracts removed.
- Contracts >$100,000 – Awarded to Nunavut firms increases by 1%, with goods contracts removed.

Impact on Other Businesses, with goods contracts removed

- Volume of contracts > $5,000 to <=$25,000 – Awarded to Other firms increased by 12%.
- Contracts >$25,000 to <=$100,000 – Awarded to Other firms increases by 7%.
- Contracts >$100,000 – Awarded to Other firms increases by 5%.

For the last six years, we can make a general observation that when we remove the volume of goods contracts from the total volume of contracts, Inuit firms receive a lower percentage of contracts, while Nunavut and Other firms receive a greater percentage of contracts.

Generally, Inuit and Nunavut firms (especially Inuit firms) win a greater percentage share of contracts when goods are included in the contract statistics therefore, we can conclude that Inuit and Nunavut firms are able to compete better for goods contracts rather than Consulting contracts.

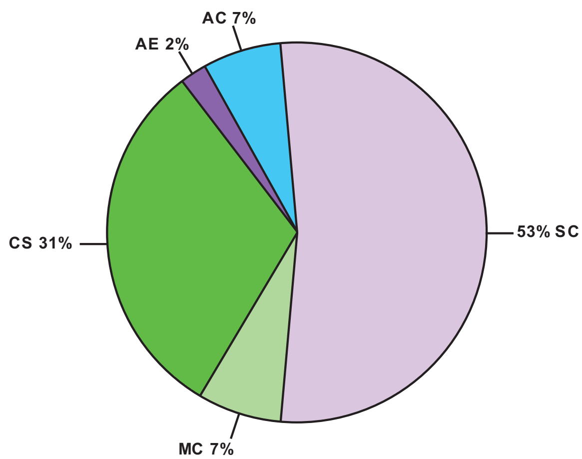
Inuit firms are also winning about half of the goods supply contracts over the $25,000 and $100,000 value threshold categories. This suggests Inuit firms are able to supply a large quantity of goods to the GN. Most tenders for goods are publicly advertised.

Analysis by Contract Type

Contracts >$25,000 to <=$100,000: Value Type

The chart below *"Government of Nunavut Distribution of Contracts by Type – Based on Value – For Contracts > $25,000 to <= $100,000 – Excluding Contracts for Goods"* summarizes the distribution of contracting type by value for contracts greater than $25,000 and less than or equal to $100,000 excluding contracts for goods.

Government of Nunavut
Distribution of Contracts by Type – Based on Value
For Contracts > $25,000 to <= $100,000
Excluding Contracts for Goods
2012/13



Distribution of Contract Values Awarded – Based on Value For Contracts > $25,000 to <= $100,000 – Excluding Goods (Thousands)

Type	2012/13		2011/12		2010/11	
Air Charter (AC)	$ 1,736	7%	$ 1,911	8%	$ 1,083	4%
Architectural/Engineering (AE)	559	2	828	3	641	3
Consulting Services (CS)	8,088	31	1,709	7	1,803	7
Minor Construction or Maintenance Services (MC)	1,808	7	2,037	8	2,145	9
Service Contracts (SC)	13,651	53	18,393	74	18,816	77
Total	$25,842	100%	$24,878	100%	$24,488	100%

The table above indicates the distribution of contracts by type and value.

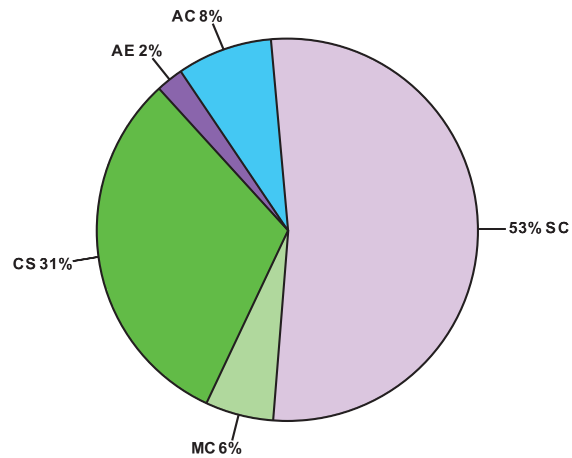
We can make some general conclusions over the last 6 years of numbers for contracts valued from $25,000 to $100,000:

- Air Charters compose roughly 10% of the total value
- Architectural and Engineering compose roughly 3% of the total value
- Consulting Services compose 13% year to year
- Minor Construction composes 10% of the total value
- Service Contracts compose 65% of the total value

Contracts >$25,000 to <=$100,000: Volume by Type

The chart below *"Government of Nunavut Distribution of Contracts by Type – Based on Volume – For Contracts > $25,000 to <= $100,000 – Excluding Contracts for Goods"* illustrates the distribution of contracting type by volume for contracts greater than $25,000 and less than or equal to $100,000 excluding contracts for goods.

Government of Nunavut
Distribution of Contracts by Type – Based on Volume
For Contracts > $25,000 to <= $100,000
Excluding Contracts for Goods
2012/13



Distribution of Contract Values Awarded – Based on Volume
For Contracts > $25,000 to <= $100,000 – Excluding Goods

Type	2012/13		2011/12		2010/11	
Air Charter (AC)	39	8%	45	9%	27	6%
Architectural/Engineering (AE)	10	2	15	3	10	2
Construction (CON)	-	-	-	-	1	-
Consulting Services (CS)	150	31	31	6	30	7
Minor Construction or Maintenance Services (MC)	28	6	34	7	41	9
Service Contracts (SC)	251	53	353	74	340	76
Total	478	100%	478	100%	449	100%

The table above indicates the distribution of contracts by type and volume.

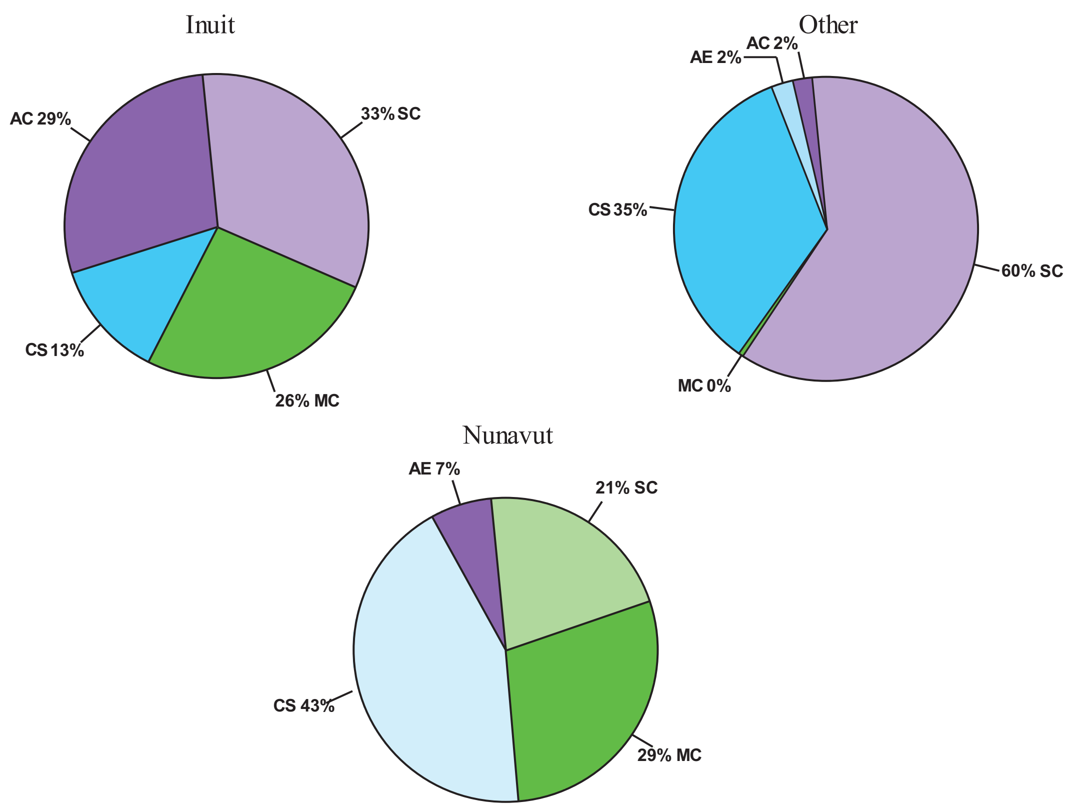
We can make some general conclusions over the last six years of numbers for contracts from $25,000 to $100,000:

- Air Charters compose 10% of the volume
- Architectural and Engineering compose 3% of the volume
- Construction composes 1% of the volume
- Consulting Services compose 14% of the volume
- Minor Construction composes 10% of the volume
- Service Contracts compose 60-75% of the volume

Contracts >$25,000 to <=$100,000: Value: Status

The chart below *"Government of Nunavut Distribution of Contracts by Status Category – Based on Value – For Contracts > $25,000 to <= $100,000 – Excluding Goods"* summarizes the distribution of contracting by status category by value for contracts greater than $25,000 and less than or equal to $100,000 excluding contracts for goods.

Government of Nunavut
Distribution of Contracts by Status Category – Based on Value
For Contracts > $25,000 to <= $100,000
Excluding Contracts for Goods
2012/13



This section looks at contracts greater than $25,000 and less than or equal to $100,000 excluding Purchase Order contracts. The pie charts and tables illustrate the distribution of awards to Inuit, Nunavut and Other firms by contract type. This chart shows that Inuit firms do not win many contracts for Architectural and Engineering in this dollar threshold. This is consistent for the last 6 years.

Inuit and Nunavut firms won 95% of the value of Minor Construction and Maintenance Services contracts in 2012/13 and 2011/12, they won 88%. In 2010/11 they won 88%. This has been fairly consistent over the last four years.

Note:

It should be noted that under the legislation governing engineering firms operating in Nunavut, the company must be owned by a licensed engineer (P.Eng). To date, there are no such firms or known Inuit certified professionals practicing in Nunavut; hence the lack of Engineering contracts awarded to Inuit firms.

Distribution of Contracts by Status Category – Based on Value For Contracts > $25,000 to <= $100,000 – Excluding Goods

2012/13 (Thousands)

Type	Awarded	Inuit		Nunavut		Other	
Air Charter (AC)	$ 1,736	$1,330	77%	$ -	-%	$ 406	23%
Architectural/Engineering (AE)	559	-	-	118	21	441	79
Consulting Services (CS)	8,088	583	7	779	10	6,727	83
Minor Construction or Maintenance Services (MC)	1,808	1,206	67	512	28	91	5
Service Contracts (SC)	13,651	1,531	11	382	3	11,738	86
Total	$25,844	$4,650	18%	$1,791	7%	$19,403	75%

2011/12 (Thousands)

Type	Awarded	Inuit		Nunavut		Other	
Air Charter (AC)	$ 1,911	$ 987	52%	$ -	-%	$ 924	48%
Architectural/Engineering (AE)	828	55	7	98	12	675	82
Consulting Services (CS)	1,710	164	10	123	7	1,423	83
Minor Construction or Maintenance Services (MC)	2,038	1,427	70	365	18	246	12
Service Contracts (SC)	18,394	3,199	17	861	5	14,334	78
Total	$24,881	$5,832	23%	$1,447	6%	$17,602	71%

2010/11 (Thousands)

Type	Awarded	Inuit		Nunavut		Other	
Air Charter (AC)	$ 1,083	$ 553	51%	$ -	-%	$ 530	49%
Architectural/Engineering (AE)	641	-	-	35	5	606	95
Consulting Services (CS)	1,802	141	8	-	-	1,661	92
Minor Construction or Maintenance Services (MC)	2,144	1,712	80	174	8	258	12
Service Contracts (SC)	18,816	2,023	11	991	5	15,802	84
Total	$24,486	$4,429	18%	$1,200	5%	$18,857	77%

The five-year trend indicates that contracts awarded to "Other" firms are largely composed of Architectural/Engineering, Consulting Services and Service Contracts. Inuit firms do better in Air Charters and Minor Construction or Maintenance Services.

Analysis of all 2012/13 contracts >$25,000 to <=$100,000, excluding goods

For contracts in this range, 18% of the total value was awarded to Inuit firms and 7% was awarded to Nunavut Businesses. The remaining 75% was awarded to firms that are not registered with NTI or the GN under the NNI Policy. This is not to say that the firms in the Other category are all not based outside of Nunavut. On the contrary, many Nunavut-based companies do not register themselves for bid adjustments. Furthermore, individuals, hamlets, societies and other entities do not register because of the nature of their business. For example, hamlets can not register under the NNI for a bid adjustment. Also, individuals must be registered as a company before they can register for NNI or NTI status.

Inuit Firms

For the last three years, the value of contracts to Inuit firms has moved between 18% to 23% and back to 18%. These fluxuations have had a corresponding increase or decrease to "Other."

Inuit firms saw a significant increase in the percentage share value of Service Contracts and Air Charters from 2010/11 to 2012/13.

For Service Contracts, there was a 26% relative decrease in award value. Inuit firms won 17% of the Service Contract dollar value in 2011/12 compared to 11% in 2012/13.

- Minor Construction or Maintenance Services from 70% to 67%, decrease of 3%.
- Air Charters from 52% to 77%, increase of 25%.
- Consulting Services from 10% to 7%, slight decrease of 3%.

Overall, the value of the awards to Inuit firms went from 23% in 2011/12 to 18% in 2012/13.

Nunavut Firms

The proportionate share of the value of contracts to Nunavut Businesses went from 6% in 2011/12 to 7% in 2012/13, a slight increase. Nunavut businesses that also have Inuit Firm Status are included in Inuit.

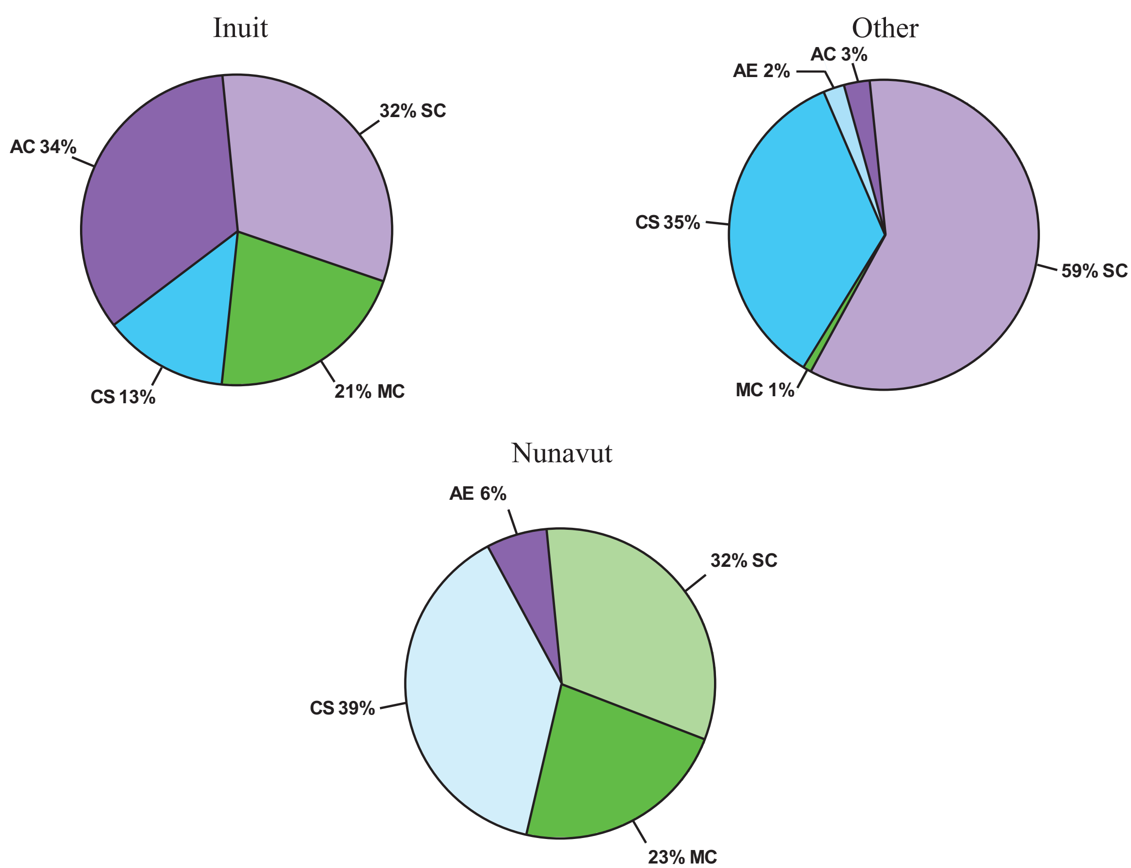
Other

Over the last 2 years the proportionate share of the value of contracts to Other firms increased by 4%. Contract dollars to Other increased in the category of Service Contracts.

Contracts >$25,000 and <=$100,000 Volume Status

The chart below *"Government of Nunavut Distribution of Contracts by Status Category – Based on Volume – For Contracts > $25,000 and <= $100,000 – Excluding Goods"* summarizes the distribution of contracting status category by volume for contracts greater than $25,000 and less than or equal to $100,000 excluding goods.

Government of Nunavut
Distribution of Contracts by Status Category – Based on Volume
For Contracts > $25,000 and <= $100,000
Excluding Contracts for Goods
2012/13



Distribution of Contracts By Status Category – Based on Volume For Contracts > $25,000 and <= $100,000 – Excluding Goods

2012/13

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	39	8%	29	74%	-	- %	10	26%
Architectural/Engineering (AE)	10	2	-	-	2	20	8	80
Consulting Services (CS)	150	31	11	7	12	8	127	85
Minor Construction or Maintenance Services (MC)	28	6	18	64	7	25	3	11
Service Contracts (SC)	251	53	27	11	10	4	214	85
Total	478	100%	85	18%	31	6%	362	76%

2011/12

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	45	9%	24	53%	-	- %	21	47%
Architectural/Engineering (AE)	15	3	1	7	3	20	11	73
Consulting Services (CS)	31	6	4	13	2	6	25	81
Minor Construction or Maintenance Services (MC)	34	7	23	68	6	18	5	15
Service Contracts (SC)	353	74	63	18	15	4	275	78
Total	478	100%	115	24%	26	5%	337	71%

2010-2011

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	27	6%	15	56%	-	- %	12	44%
Architectural/Engineering (AE)	10	2	-	-	1	10	9	90
Consulting Services (CS)	30	7	2	7	-	-	28	93
Minor Construction or Maintenance Services (MC)	41	9	31	76	4	10	6	15
Service Contracts (SC)	340	76	42	12	20	6	278	82
Total	448	100%	90	20%	25	6%	333	74%

The pie charts on the previous page show the percentage of contracts awarded by type amongst the status categories.

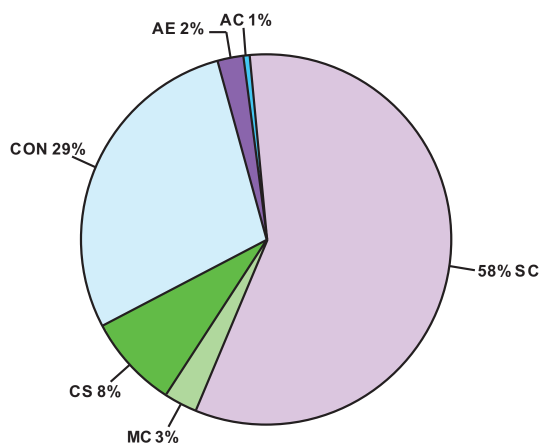
The proportionate share of contracts to Inuit firms over the last three years averages at 20%. However, in a six-year analysis we see a decrease from 31% in 2007/08.

The proportionate share of contracts to Other firms averages around 70% for the last six years.

Contracts > $100,000 Value, Type

The chart below *"Government of Nunavut Distribution of Contracts by Type – Based on Value – For Contracts > $100,000 – Excluding Contracts for Goods"* summarizes the distribution of contracting type by value for contracts greater than $100,000 excluding contracts for goods.

Government of Nunavut
Distribution of Contracts by Type – Based on Value
For Contracts > $100,000
Excluding Contracts for Goods
2012/13



Distribution of Contracts By Type – Based on Value For Contracts > $100,000 – Excluding Goods (Thousands)

Type	2012/13		2011/12		2010/11	
Air Charter (AC)	$ 1,619	1%	$ 26,765	11%	$ 23,267	11%
Architectural/Engineering (AE)	6,763	2	8,177	3	3,446	2
Construction (CON)	85,714	29	48,679	20	59,451	27
Consulting Services (CS)	24,033	8	21,968	9	52,970	24
Minor Construction or Maintenance Services (MC)	8,686	3	9,780	4	11,818	5
Service Contracts (SC)	172,036	58	126,462	52	67,212	31
Total	$298,851	101%	$241,831	100%	$218,164	100%

This section looks at contracts greater than $100,000 excluding Purchase Order contracts. The pie chart and table above illustrate the distribution of contract dollars by type.

The small percentage of Air Charters, Architectural/Engineering, and Minor Works contracts is indicative of the typically lower values of these types of contracts.

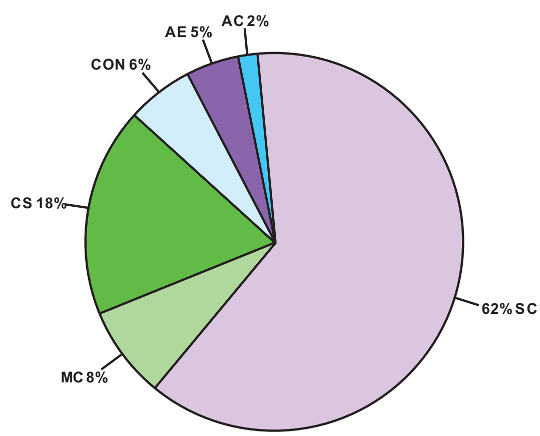
Over the last three years Architectural and Engineering and Minor Construction have remained at consistent low levels of proportionate share of the total value of contracts greater than $100,000.

In 2012/13 we awarded several large multi-year contracts for Sealift Services. This accounts for the significant increase in the value of Service contracts awarded.

Contracts >$100,000 Volume, Type

The chart below *"Government of Nunavut Distribution of Contracts by Type – Based on Volume – For Contracts > $100,000 – Excluding Contracts for Goods"* illustrates the distribution of contracting type by volume for contracts greater than $100,000 excluding contracts for goods.

Government of Nunavut
Distribution of Contracts by Type – Based on Volume
For Contracts > $100,000
Excluding Contracts for Goods
2012/13



Distribution of Contracts By Type – Based on Volume
For Contracts > $100,000 – Excluding Goods

Type	2012/13		2011/12		2010/11	
Air Charter (AC)	5	2%	15	4%	8	2%
Architectural/Engineering (AE)	13	5	15	4	15	4
Construction (CON)	16	6	20	6	31	9
Consulting Services (CS)	51	18	21	6	37	11
Minor Construction or Maintenance Services (MC)	23	8	35	10	35	10
Service Contracts (SC)	178	62	235	69	222	64
Total	286	101%	341	99%	348	100%

This section looks at the volume of contracts greater than $100,000 excluding Purchase Order contracts.

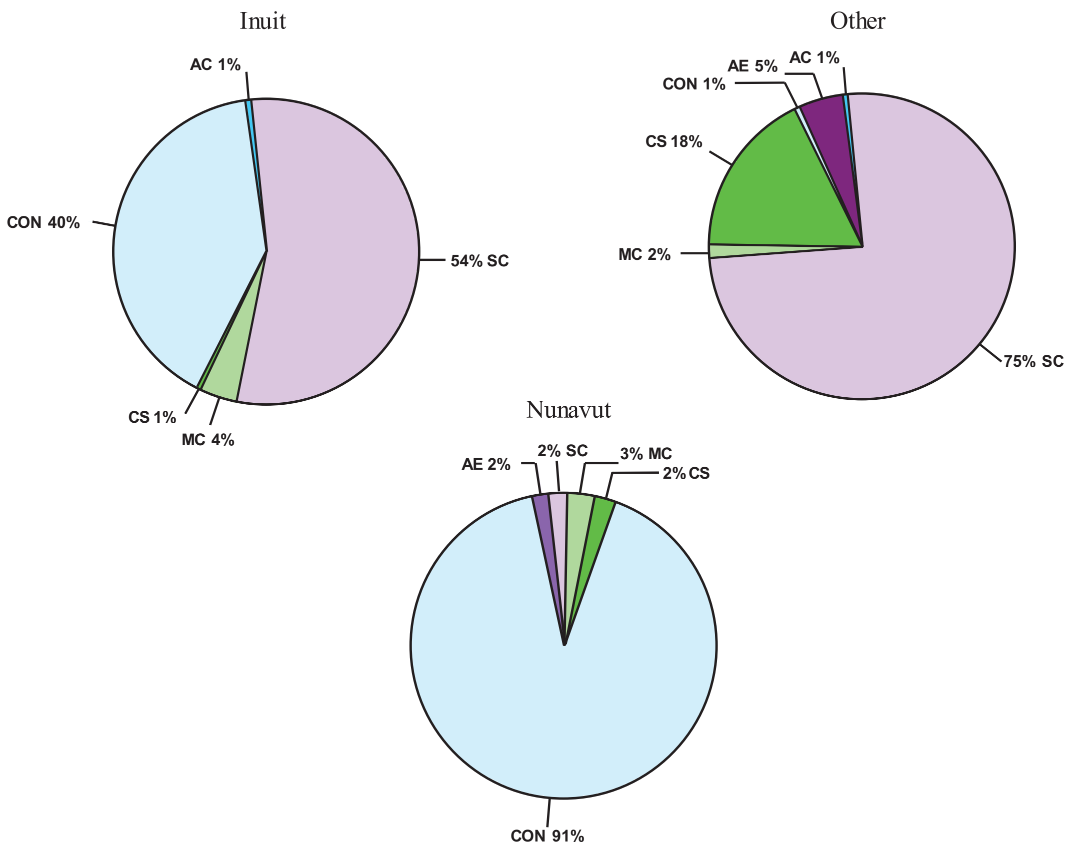
62% of the volume and 58% of the value of contracts in this value threshold are for Service Contracts. Service Contracts have made up a majority of the volume in this category for the past five years.

Over the last three years, Service contracts and Consulting have made up the major of the value of these contracts.

Contracts > $100,000 Value – Category

The chart below *"Government of Nunavut Distribution of Contracts by Status Category – Based on Value – For Contracts > $100,000 – Excluding Goods"* summarizes the distribution of contracting by status category by value for contracts greater than $100,000 excluding goods.

Government of Nunavut
Distribution of Contracts by Status Category – Based on Value
For Contracts > $100,000
Excluding Contracts for Goods
2012/13



The pie charts above illustrate the distribution of contract awards by type within the Inuit, Nunavut and Other status categories.

Distribution of Contracts by Status Category – Based on Value For Contracts > $100,000 – Excluding Goods

2012/13 (Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 1,619	1%	$ 892	55%	$ -	-%	$ 728	45%
Architectural/Engineering (AE)	6,763	2	-	-	574	8	6,189	92
Construction (CON)	85,714	29	55,545	65	29,480	34	690	1
Consulting Services (CS)	24,033	8	708	3	728	3	22,597	94
Minor Construction or Maintenance Services (MC)	8,685	3	5,703	66	941	11	2,041	24
Service Contracts (SC)	172,037	58	74,615	43	590	-	96,832	56
Total	$298,851	100%	$137,463	46%	$32,313	11%	$129,077	43%

2011/12 (Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 26,765	11%	$ 696	3%	$ -	-%	$ 26,069	97%
Architectural/Engineering (AE)	8,178	3	310	4	900	11	6,968	85
Construction (CON)	48,679	20	39,451	81	3,196	7	6,032	12
Consulting Services (CS)	21,968	9	407	2	-	-	21,561	98
Minor Construction or Maintenance Services (MC)	9,780	4	8,053	82	1,602	16	125	1
Service Contracts (SC)	126,462	52	60,729	48	4,528	4	61,205	48
Total	$241,832	100%	$109,646	45%	$10,226	4%	$121,960	50%

2010/11 (Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 23,266	11%	$ 5,682	24%	$ -	-%	$ 17,584	76%
Architectural/Engineering (AE)	3,446	2	418	12	-	-	3,028	88
Construction (CON)	59,450	27	34,574	58	11,128	19	13,748	23
Consulting Services (CS)	52,970	24	21,367	40	1,362	3	30,241	57
Minor Construction or Maintenance Services (MC)	11,818	5	7,607	64	2,703	23	1,508	13
Service Contracts (SC)	67,212	31	6,190	9	779	1	60,243	90
Total	$218,162	100%	$ 75,838	35%	$15,972	7%	$126,352	58%

For the 2011/12 year, as a percentage of total contracts, the value of contracts to Inuit increased by 10%. In pure dollar terms this represents a 45% increase in the value of contracts to Inuit firms. The value to Nunavut decreased by 3% as a percentage 3% of the total, or 36% in real dollars. The percentage of value to "Other" decreased by 8%, a 4% decrease in deal dollars.

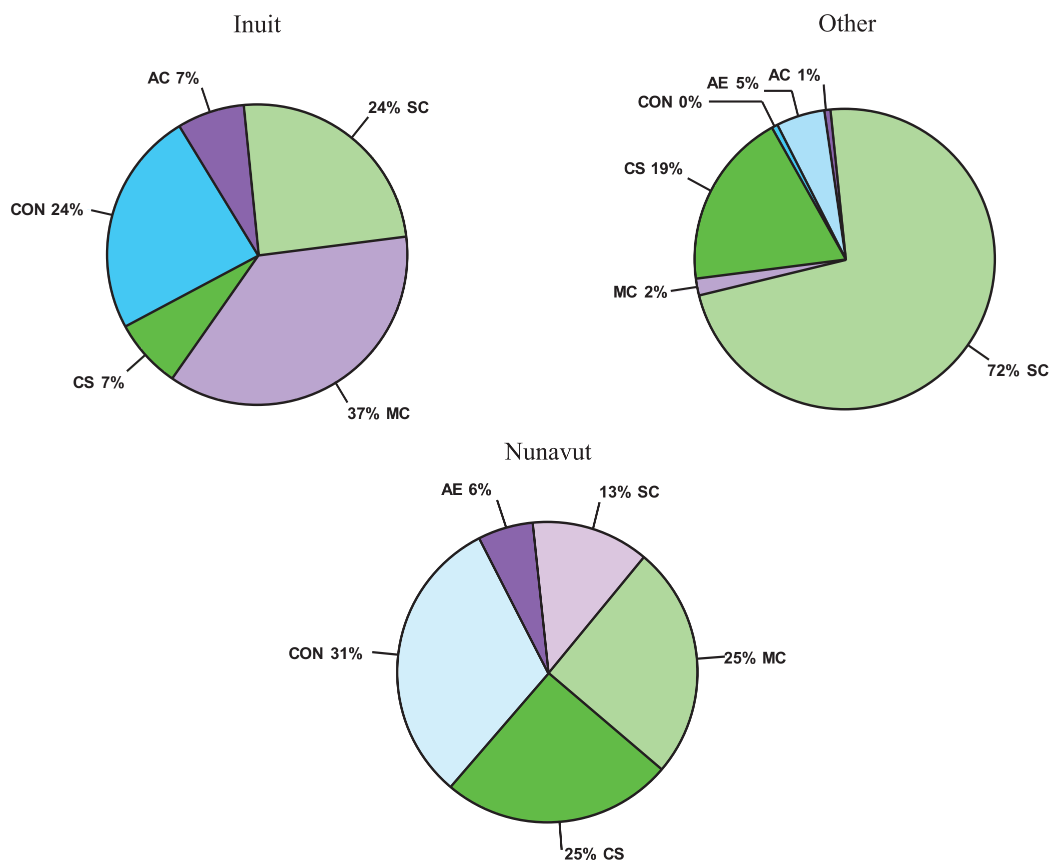
For the 2012/13 year, we see that the changes are less significant. As a percentage of total contracts, the value of contracts to Inuit firms increased by only 1%. In pure dollar terms this represents an increase of 25% in the value of contracts to Inuit firms. Nunavut firms percentage share has increased by 7% and over tripled in value. Percentage share to Other has decreased by a further 7% however, has increased slightly in dollar value.

Over the past three years of this report, we see that the percentage value of the total contracts in this range has increased by 11% for Inuit firms. This represents a real dollar increase of 81%. During this same time period, we see an increase of 4% for Nunavut firms or a doubling in value. These gains have a corresponding decrease of 15% in relative volume share for "Other" firms.

Contracts > $100,000 Volume – Status

The chart below *"Government of Nunavut Distribution of Contracts by Status Category – Based on Volume – For Contracts > $100,000 – Excluding Goods"* summarizes the distribution of contracting status category by volume for contracts greater than $100,000 excluding goods.

Government of Nunavut
Distribution of Contracts by Status Category – Based on Volume
For Contracts > $100,000
Excluding Contracts for Goods
2012/13



Distribution of Contract By Status Category – Based on Volume For Contracts > $100,000 – Excluding Goods

2012/13

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	5	2%	3	60%	-	-%	2	40%
Architectural/Engineering (AE)	13	5	-	-	1	8	12	92
Construction (CON)	16	6	10	63	5	31	1	6
Consulting Services (CS)	51	18	3	6	4	8	44	86
Minor Construction or Maintenance Services (MC)	23	8	15	65	4	17	4	17
Service Contracts (SC)	178	62	10	6	2	1	166	93
Total	286	100%	41	14%	16	6%	229	80%

2011/12

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	15	4%	4	27%	-	-%	11	73%
Architectural/Engineering (AE)	15	4	1	7	2	13	12	80
Construction (CON)	20	6	12	60	5	25	3	15
Consulting Services (CS)	21	6	2	10	-	-	19	90
Minor Construction or Maintenance Services (MC)	35	10	30	86	4	11	1	3
Service Contracts (SC)	235	69	36	15	10	4	189	80
Total	341	100%	85	25%	21	6%	235	69%

2010/11

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	8	2%	2	25%	-	-%	6	75%
Architectural/Engineering (AE)	15	4	1	7	-	-	14	93
Construction (CON)	31	9	23	74	4	13	4	13
Consulting Services (CS)	37	11	10	27	1	3	26	70
Minor Construction or Maintenance Services (MC)	35	10	22	63	8	23	5	14
Service Contracts (SC)	222	64	12	5	5	2	205	92
Total	348	100%	70	20%	18	5%	260	75%

Out of the 41 contracts awarded to Inuit firms, 71% of them were for Minor Construction and Maintenance and Service contracts. Nunavut Businesses won 16 of 286 contracts (6%).

Service Contracts represent a majority of the contracts in this category.

For the fiscal year 2011/12, as a percentage of total contracts, the volume of contracts to Inuit contractors increased by 5% and the volume to Nunavut firms increased by 1%. The volume of contracts to Other decreased by 6%. In terms of real numbers, the volume to Inuit increased by 21%; the volume to Nunavut increased by 17%; and the volume to Other decreased by 10%.

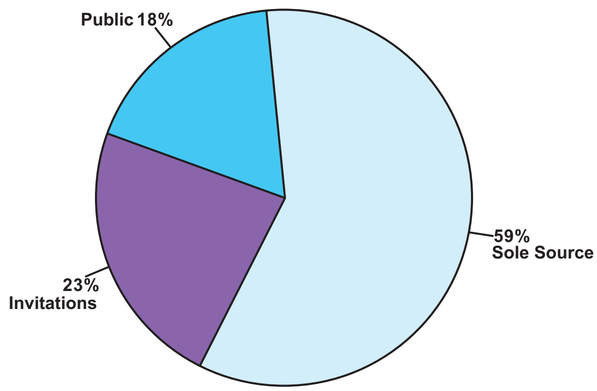
For the fiscal year 2012/13, as a percentage of the total contracts, the volume of contracts to Inuit contractors decreased by 11% and the volume to "Nunavut" firms remain unchanged. The volume of contracts to "Other" increased by 11%. In terms of real numbers, the volume of Inuit decreased by 52%; the volume to "Nunavut" decreased by 24% and the volume to "Other" decreased by 2.5%.

We can see a trend for the volume of contracts in this category. Inuit firms win an average 20% of these contracts, Nunavut firms win 5% of these contracts and Other firms win 75% of the volume of these contracts.

3. Contracting Methods

The chart below *"Government of Nunavut Distribution of Contracts > $25,000 to <= $100,000 by Contract Method"* summarizes the distribution of contracting methods – Based on Value excluding goods contracts, contracts extended from previous years and contracts awarded under Standing Offer Agreements.

Government of Nunavut
Distribution of Contracts > $25,000 to <= $100,000 by Contract Method
Based on Value
2012/13



Distribution of Contracts > $25,000 to <= $100,000 by Contract Method – Based on Value (Thousands)

Year	Awarded	Public		Invitations		Sole Source	
2012/13	$13,067	$2,360	18%	$3,039	23%	$7,668	59%
2011/12	14,995	3,624	24	2,719	18	8,652	58
2010/11	16,039	2,916	18	2,188	14	10,935	68

This section provides an analysis of contracts, excluding Goods, Extensions and contracts under SOA by Contracting Method in two value threshold categories.

Contracts are entered into as a result of competitive or non-competitive Request for Tenders or Requests for Proposals. Competitive means asking more than one firm to respond; this is done by Invitation or by Public Advertisement. Non-Competitive means asking only one firm to submit a tender or proposal; this is more commonly known as a “Sole” or “Single” Sourcing. The Value and Volume of Sole Sources are further analyzed later on in this section.

In 2012/13, of a total contract value of $13,067,000 (rounded to the nearest thousand) 5,399,000 resulted from Public or Invitational Requests for Tenders or Proposals (41%) and $7,668,000 resulted from Sole Sources (59%).

In 2011/12, of a total value of $14,995,000 contracts in the >$25,000 and <=$100,000 dollar threshold $8,652,000 was a result of Sole Source award (58%).

In 2010/11, of a total value of $16,039,000 contracts in the >$25,000 and <$100,000 dollar threshold category $10,935,000 was the result of sole source awards (68%).

Under GN procurement policies, Public Tenders and Requests for Proposals (RFP's) are required for all goods and services over $25,000 and Construction over $100,000. Invitational Tenders are completed for goods and services over $5,000 but less than $25,000. This also includes Architectural/Engineering and Construction under $100,000.

From the chart above we see that the value of proportionate share of Sole Source contracts has increased by 1%; however, in real dollars this represents an 11% decrease.

The Criteria for Sole Sourcing a contract are set out in Section 8 of the Government Contract Regulations. A Sole Source is permitted "where a Contract Authority believes, on reasonable grounds, that

(a) the goods, services or construction are urgently required and delay would be injurious to the public interest; or

(b) only one party is available and capable of performing the contract; or

(c) the contract is an Architectural/Engineering services contract type that will not exceed $25,000 in value, or is any other contract type that will not exceed $5,000 in value."

As a procurement department, we strive to get the maximum value for the Government of Nunavut. This is only possible through the competitive, public bidding processes. The CGS Procurement section works with departments to help them plan their procurement strategies. We have, where possible, established Standing Offer Agreements with companies for frequently required services. SOAs will help to avoid sole source contracting. We also work with departments to determine their management consulting needs, many of which can be satisfied through the establishment of Standing Offer Agreements.

However, there are legitimate instances where a competitive bidding processes is not possible and the situation may fall within one of the four Sole Source situations.

Many situations fall within the guidelines of legitimate Sole Source contracting. For example, situations involving patents or intellectual property ownership (such as educational course design and materials or course delivery such as those offered by Nunavut Arctic College) or instances such as the purchase of a particular part or piece of equipment (such as a pump repair for a fuel delivery truck or plow parts for snow clearing). These situations may not necessarily warrant a competitive processes where they are in fact “Sole Vendor” instances.

This is not to say that a “Sole Vendor” situation applies when purchasing many commodities. In fact, when purchasing vehicles and or other products such as photocopiers and fax machines, etc., the GN must avoid the use of brand-specific names. Requests for Tenders and Proposals must always indicate that the GN will accept bids for similar or equivalent products so long as they meet the quality and functional requirements that are established in the request.

Also, in some situations it is not advisable to issue a competitive call for tenders or proposals, by invitation or advertisement. In these situations, the delay caused by the tender or RFP period would be harmful to person(s) or end users of the good or service. These are emergency situations where if the government doesn't act immediately, there will be some form of public harm or injury. For example, in the early summer of 2008 a bridge collapsed in Pangnirtung leaving the community cut off from critical municipal services. This is not to say that all emergencies or public harm is strictly a health and safety hazard. Indeed, many situations call for government action to improve the emotional health and well-being of the public as well. In 2011/12 fiscal year the community of Arviat experienced critical water emergencies which required many Sole Source purchases. In 2012/13, the community of Resolute Bay experienced a fuel spill which needed to be dealt with immediately.

It should be noted that certain functions and responsibilities that are unique to certain departments lead to a higher propensity for this contracting method. Emergency situations with health and safety considerations or search and rescue may produce a need to enter into a contract quickly or limit alternatives or options for supply sources. Urgent situations involving the delivery of capital projects in the environmentally sensitive areas of sewage treatment, solid waste management and potable water have been contributing factors for sole source contracts on occasion. The arctic environment and a short construction season serve to complicate project delivery and contracting options. Though good planning and project management practices help to alleviate the necessity to rely on Sole Sourcing, emergencies and accidents can not be planned for and must be dealt with immediately as they arise.

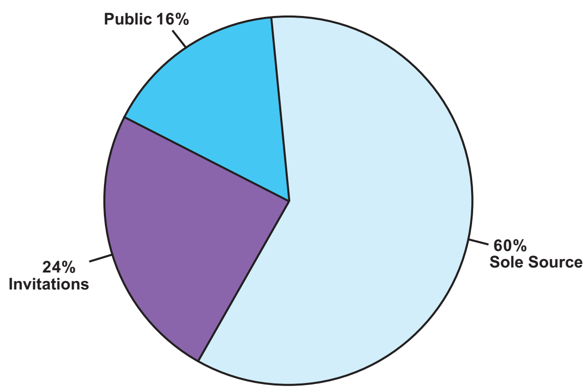
A significant portion of the sole source contracts represent contracts issued for the following:

- Specialized Residential Care, Department of Health
- Proprietary Training Courses, including NAC
- Contracts to Hamlets for various work such as Airport Operations
- Dental Care
- Proprietary Software and Maintenance contracts for software
- Proprietary Software and Maintenance contracts for hospital equipment
- Audiology Services, Department of Health & Social Services
- Information Technology, Professional Engineering & Project Management Services
- Emergency response contracts such as search and rescue and fuel spill containment

Contracts >$25,000 to <=$100,000: Method

The chart below *"Government of Nunavut Distribution of Contracts > $25,000 to <= $100,000 by Contract Method"* summarizes the distribution of contracting methods – Based on Volume excluding goods contracts, contracts extended from previous years and contracts awarded under Standing Offer Agreements.

Government of Nunavut
Distribution of Contracts > $25,000 to <= $100,000 By Contract Method
Based on Volume
2012/13



Distribution of Contracts by Contract Method – Based on Volume

Year	Awarded	Public		Invitations		Sole Source	
2012/13	235	38	16%	57	24%	140	60%
2011/12	286	63	22	57	20	166	58
2010/11	284	51	18	48	17	185	65

In this category of contracts we see that over the last three years, volume and proportionate share of Sole source contracts is generally decreasing.

For the fiscal year 2011/12, the percentage volume of Sole Source contracts has decreased by 7% in this value range, in real numbers, this represents a 10% decrease.

For the fiscal year 2012/13 the percentage volume of Sole Source contracts increased slightly by 2%. However, in real numbers the decrease was 26 fewer Sole Source contracts (17%).

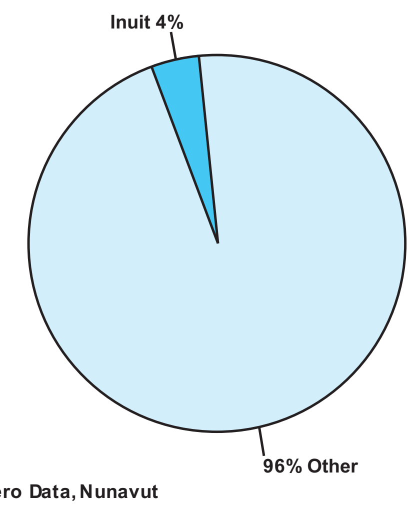
A three-year trend shows a decrease of 45 fewer contracts Sole Sourced or a decrease of 24%.

A four-year trend shows a decrease of 58 fewer contracts Sole Sourced for a decrease of 29%.

Contracts >$25,000 to <=$100,000: Status

The chart below *"Government of Nunavut Distribution of Sole Source Contracts > $25,000 to <= $100,000 By Status Category"* summarizes the distribution of Sole Source Contracts by Status Category – Based on Value.

Government of Nunavut
Distribution of Sole Source Contracts > $25,000 to <= $100,000
By Status Category – Based on Value
2012/13



Distribution of Sole Source Contracts by Status Category – Based on Value (Thousands)

Year	Awarded	Inuit		Nunavut		Other	
2012/13	$ 7,668	$317	4%	$ -	-%	$ 7,351	96%
2011/12	8,652	645	7	130	2	7,877	91
2010/11	10,936	517	5	98	1	10,321	94

In 2010/11, only 6% of the contract value sole sourced were awarded to Inuit/Nunavut firms. 94% was awarded to Other.

In 2011/12, 9% of the contract value Sole Sourced were awarded to combined Inuit/Nunavut firms and 91% was awarded to Other.

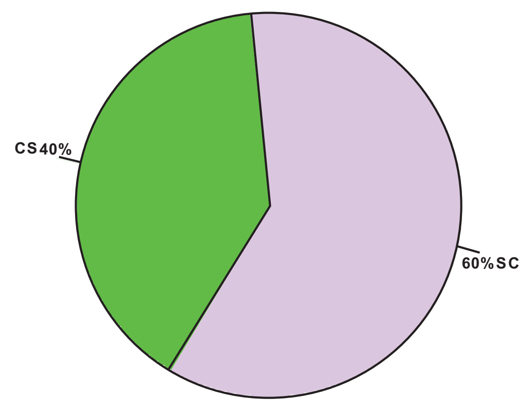
In 2012/13, only 4% of the contract value Sole Sourced were to combine Inuit and Nunavut firms, (none to Nunavut firms) and 96% to Other.

Clearly, the trend has been that over 90% of the value of contracts Sole Sourced in this contract range are awarded to Non-Inuit and Non-Nunavut firms.

Sole Source Contracts >$25,000 to <$100,000 by Status Category, Value

The chart below *"Government of Nunavut Distribution of Sole Source Contracts > $25,000 to <= $100,000 By Status Category Awarded to Other Businesses"* summarizes the distribution of Sole Source Contracts Awarded to Other Business – Based on Value.

Government of Nunavut
Distribution of Sole Source Contracts > $25,000 to <= $100,000
By Status Category Awarded to Other Businesses
Based on Value
2012/13



Distribution of Sole Source Contracts Awarded to Other Businesses – Based on Value (Thousands)

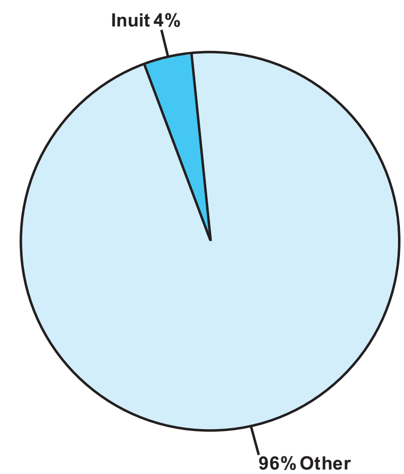
Sole Source - Other Businesses	2012/13		2011/12		2010/11	
Air Charter (AC)	$ -	-%	$ 231	3%	$ 159	2%
Architectural/Engineering (AE)	-	-	-	-	-	-
Construction (CON)	-	-	-	-	-	-
Consulting Services (CS)	2,943	40	404	5	296	3
Minor Construction or Maintenance Services (MC)	-	-	-	-	-	-
Service Contracts (SC)	4,408	60	7,242	92	9,866	96
Total	$7,351	100%	$7,877	100%	$10,321	101%

From the chart above we see that Sole Source contracts that have been awarded to "Other" have been decreasing in value for the past three years. We have seen a 29% decrease in value from 2010/11 to 2012/13.

Contracts >$25,000 <= $100,000, Status Category, Volume

The chart below *"Government of Nunavut Distribution of Sole Source Contracts > $25,000 to <= $100,000 By Status Category"* summarizes the distribution of Sole Source Contracts by Status Category – Based on Volume.

Government of Nunavut
Distribution of Sole Source Contracts > $25,000 to <= $100,000
By Status Category – Based on Volume
2012/13



* Zero Data, Nunavut

Distribution of Sole Source Contracts by Status Category – Based on Volume

Year	Awarded	Inuit		Nunavut		Other	
2012/13	140	6	4%	-	-%	134	96%
2011/12	166	13	8	2	1	151	91
2010/11	185	10	5	1	1	174	94

In 2011/12, of the total volume of 478 contracts in the >$25,000 to <=$100,000 dollar threshold category, 166 were the result of Sole Source awards (35%). This represents only 9% of all contracts awarded in 2011/12. This is a decrease of 1% from 2010/11.

In 2011/12 out of the 166 Sole Source awards, 151 contracts (91%) went to Other businesses (those not registered as Inuit or Nunavut firms).

In 2012/13, of the 478 contracts in the >$25,000 to <=$100,000 dollar threshold category, 140 or 29% were the result of Sole Source awards. Of the 140 Sole Source awards, 96% went to "Other."

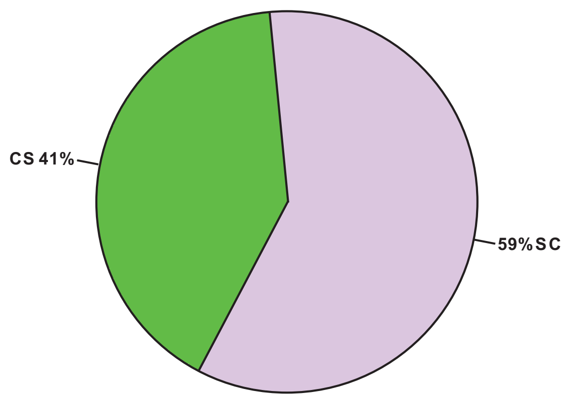
The above table shows a decreasing volume of Sole Source contracts in this category are being awarded to Other companies. The volume decrease to Other has decreased by 25% from 2010/11 to 2012/13.

This is the third year in which we see a decrease in actual volume of Sole Source to "Other." This may be indicative of Purchasing's efforts to work with departments reducing their reliance on the Sole Sourcing award methodology to implement government programs.

Contracts >$25,000 <=$100,000, Status Category, Other, Volume

The chart below *"Government of Nunavut Distribution of Sole Source Contracts > $25,000 to <= $100,000 By Status Category Awarded to Other Businesses"* summarizes the distribution of Sole Source Contracts Awarded to Other Business.

Government of Nunavut
Distribution of Sole Source Contracts > $25,000 to <= $100,000
Awarded to Other Businesses
Based on Volume
2012/13



Distribution of Sole Source Contracts Awarded to Other Businesses – Based on Volume

Sole Source - Other Businesses	2012/13		2011/12		2010/11	
Air Charter (AC)	-	-%	4	3%	3	2%
Architectural/Engineering (AE)	-	-	-	-	1	1
Construction (CON)	-	-	-	-	-	-
Consulting Services (CS)	55	41	7	5	5	3
Minor Construction or Maintenance Services (MC)	-	-	-	-	-	-
Service Contracts (SC)	79	59	140	93	166	95
Total	134	100%	151	101%	174	100%

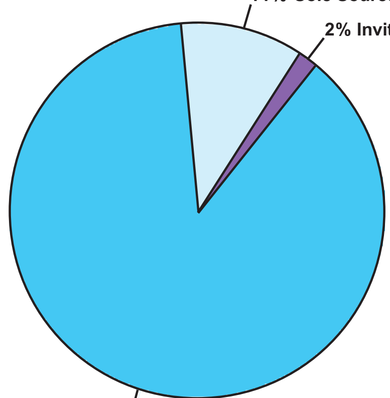
In 2012/13, 100% of the volume of Sole Source awards to Other (non-registered) were for two Contract Types: Consulting Services and Service Contracts. The volumes and corresponding percents of Sole Source contracts to Other by Contract Type are shown on the table above.

Clearly the seven-year trend indicates that on average, 97% of Sole Source contracts awarded to "Other," are for Consulting Services and Service Contracts.

Contracts >$100,000, Contract Method, Value

The chart below *"Government of Nunavut Distribution of Contracts > $100,000 by Contract Method"* summarizes the distribution of Contracts by Contract Method – Based on Value. For this section, goods contracts and contracts that were extended from previous years are excluded.

Government of Nunavut
Distribution of Contracts > $100,000 By Contract Method
Based on Value
2012/13



Distribution of Contracts > $100,000 by Contract Method – Based on Value (Thousands)

Year	Awarded	Public		Invitations		Sole Source	
2012/13	$266,682	$233,658	88%	$4,858	2%	$28,166	11%
2011/12	210,606	174,695	83	5,287	3	30,624	15
2010/11	170,354	109,095	64	22,763	13	38,496	23

This sub section provides an analysis of contracts, excluding goods and contracts extended from previous years, by Contracting Method in the greater than $100,000 value threshold category.

In 2010/11, of the total value $170,354,000, Public or Invitational Requests for tenders or proposals totaled $131,858,000 or 77%; and sole sources totaled $38,496,000 (23%).

In 2011/12, of the total value $210,606, public and invitational requests for tenders or proposals totaled $179,982 or 86%; and Sole Sources totaled $30,624 or 15%.

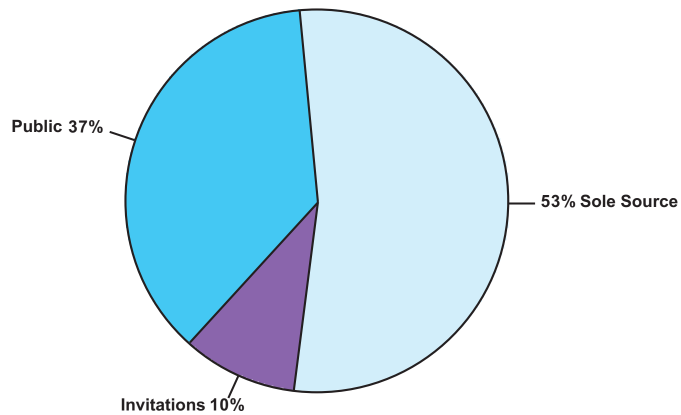
In 2012/13, of the total value of $266,682,000, Public or Invitational Requests for Tenders or Proposals totaled $238,516,000 or 89%; and Sole Sources totaled $28,166,000 or 11%.

For the three years covered by this report and from the table above we see that Sole Sources in the category have steadily declined. Overall a decline of 27%.

Contracts >$100,000, Contract Method, Volume

The chart below *"Government of Nunavut Distribution of Contracts > $100,000 by Contract Method"* summarizes the distribution of Contracts by Contract Method – Based on Volume. Contracts for goods and contracts extended from previous years are excluded from this analysis.

**Government of Nunavut
Distribution of Contracts > $100,000 By Contract Method
Based on Volume
2012/13**



Distribution of Contracts by Contract Method – Based on Volume

Year	Awarded	Public		Invitations		Sole Source	
2012/13	184	68	37%	18	10%	98	53%
2011/12	242	119	49	25	10	98	40
2010/11	246	96	39	18	7	132	54

In 2012/13, of the 184 contracts awarded in the >$100,000 value threshold 86 or 47% resulted from a competitive process and 98 or 53% resulted from Sole Source contracts.

In 2011/12, of the 242 contracts awarded in the >$100,000 value threshold awarded, 144 or 59% resulted from Tenders or Proposals and 98 or 40% resulted from non-competitive Sole Sourcing. The average proportionate share of the number of Sole Sourced contracts is 54% over the last four years.

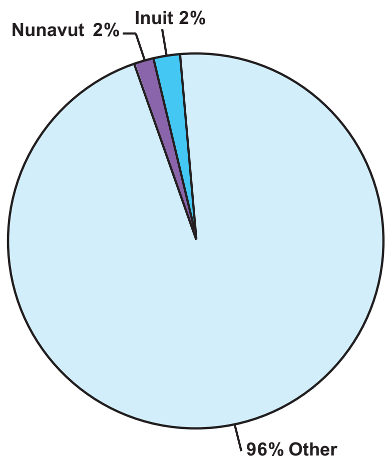
In 2010/11, of the 246 contracts awarded in the >$100,000 value threshold, 114 or 46% were the result of public and invited competitive procurement processes and 132 or 54% resulted from sole sourced contracts.

The volume of Sole Source contracts has remained the same over the last two years, overall the trend has been decreasing over the past 6 years.

Sole Source Contract Distribution, >$100,000, Status, Value

The chart below *"Government of Nunavut Distribution of Sole Source Contracts > $100,000 By Status Category"* summarizes the distribution of Sole Source Contracts by Status Category – Based on Value. Purchase Orders and Contracts extended from previous years are excluded.

Government of Nunavut
Distribution of Sole Source Contracts > $100,000 By Status Category
Based on Value
2012/13



Distribution of Sole Source Contracts by Status Category – Based on Value (Thousands)

Year	Awarded	Inuit		Nunavut		Other	
2012/13	$28,166	$ 651	2%	$450	2%	$27,066	96%
2011/12	30,624	2,295	7	935	3	27,394	89
2010/11	38,496	3,168	8	-	-	35,328	92

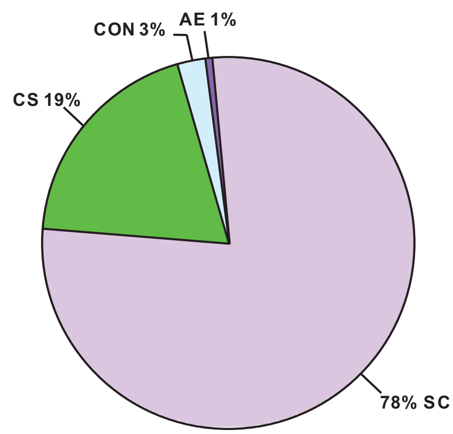
The pie chart and corresponding table above shows that Sole Sourced contracts of value over $100,000 are largely awarded to Other (Non-Inuit and Non-Nunavut contractors). This has been consistent over the six years of this report.

Note that where Nunavut businesses also have Inuit Firm Status, they are included in the Inuit Firm category.

Contracts >$100,000 Sole Sources – by Type, Value

The chart below *"Government of Nunavut Distribution of Sole Source Contracts > $100,000 By Status Category Awarded to Other Businesses"* summarizes the distribution of Sole Source Contracts by Status Category – Based on Value.

Government of Nunavut
Distribution of Sole Source Contracts > $100,000 By Type
Awarded to Other Businesses – Based on Value
2012/13



Distribution of Sole Source Contracts Awarded to Other Businesses – Based on Value (Thousands)

Sole Source – Other Businesses	2012/13		2011/12		2010/11	
Air Charter (AC)	$ -	-%	$ 1,298	5%	$ 500	1%
Architectural/Engineering (AE)	142	1	-	-	1,209	3
Construction (CON)	690	3	-	-	-	-
Consulting Services (CS)	5,238	19	1,042	4	125	-
Minor Construction or Maintenance Services (MC)	-	-	-	-	472	1
Service Contracts (SC)	20,996	78	25,054	91	33,022	93
Total	$27,066	101%	$27,394	100%	$35,328	98%

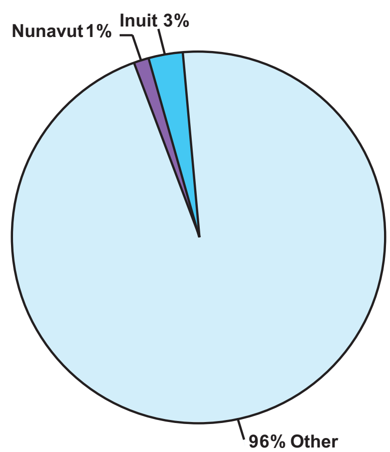
In 2012/13, of the $28,166,000 awarded as Sole Source contracts, $27,066,000 were awarded to Other. Of the contracts awarded to Other, 78% were for Service Contracts. This is a marked difference from the last 5 year trending. Generally, the overwhelming majority (90% and above) of Sole Source contracts in the category are for Service Contracts (often Service Contracts, and contracts for Consulting Services are recorded incorrectly, unfortunately.)

In 2011/12 of the $30,624,000 awarded as Sole Source contracts, $27,394 were awarded to Other. Of the contracts awarded to Other, 91% were for Service Contracts.

Contracts >$100,000, Status, Volume

The chart below *"Government of Nunavut Distribution of Sole Source Contracts > $100,000 By Status Category"* summarizes the distribution of Sole Source Contracts by Status Category – Based on Volume excluding goods and contracts extended from previous years.

Government of Nunavut
Distribution of Sole Source Contracts > $100,000 By Status Category
Based on Volume
2012/13



Distribution of Sole Source Contracts by Status Category – Based on Volume

Year	Awarded	Inuit		Nunavut		Other	
2012/13	98	3	3%	1	1%	94	96%
2011/12	98	5	5	3	3	90	92
2010/11	132	6	5	-	-	126	95

In 2012/13, out of the 98 Sole Source contracts awarded, 94 or 96% were awarded to other businesses (not registered as Inuit or Nunavut firms).

In 2011/12, out of the 98 Sole Source contract awards, 90 or 92% went to Other businesses (not registered as Inuit or Nunavut firms).

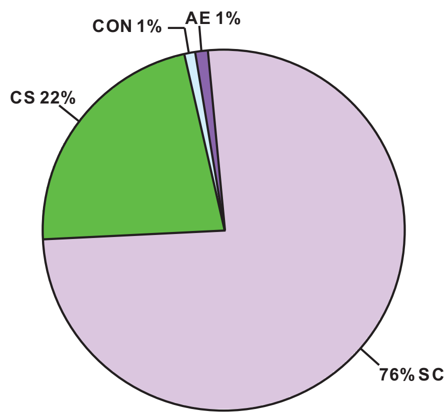
In 2010/11, out of the 132 Sole Source awards, 126 contracts (95%) went to Other businesses (those not registered as Inuit or Nunavut firms).

The average of 90 95% proportionate share to Other remains consistent over the last six years.

Contracts >$100,000, Status Other, Volume

The chart below *"Government of Nunavut Distribution of Sole Source Contracts > $100,000 By Status Category Awarded to Other Businesses"* summarizes the distribution of Sole Source Contracts Awarded to Other Business.

Government of Nunavut
Distribution of Sole Source Contracts > $100,000 By Status Category
Awarded to Other Businesses – Based on Volume
2012/13



Distribution of Sole Source Contracts Awarded to Other Businesses – Based on Volume

Sole Source – Other Businesses	2012/13		2011/12		2010/11	
Air Charter (AC)	-	-%	2	2%	1	1%
Architectural/Engineering (AE)	1	1	-	-	5	4
Construction (CON)	1	1	-	-	-	-
Consulting Services (CS)	21	22	4	4	1	1
Minor Construction or Maintenance Services (MC)	-	-	-	-	-	-
Service Contracts (SC)	71	76	84	93	117	93
Total	94	100%	90	99%	126	101%

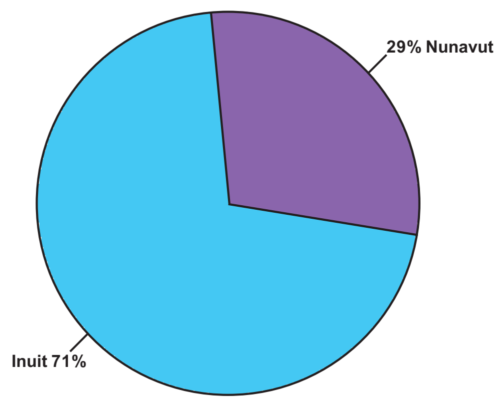
In 2010/11 and 2011/12, 93% of the volume of sole source awards to Other (non-registered) was for Service Contracts. A large number of these are for specialized residential care services for Health & Social Services.

In 2012/13 we see a marked difference in the percentage share of Consulting Services versus Service Contracts.

4. Contracts Awarded to Local Business

The chart below *"Government of Nunavut Contracts Awarded to Local Business – Based on Value – For Contracts > $25,000 to <= $100,000 – Excluding Goods"* summarizes the distribution of contracts awarded to local businesses, based on value for contracts greater than $25,000 and less than or equal to $100,000 excluding goods.

Government of Nunavut
Contracts Awarded to Local Business – Based on Value
For Contracts > $25,000 to <= $100,000
Excluding Goods
2012/13



Contracts Awarded to Local Business – Based on Value
For Contracts >$25,000 to <=$100,000 – Excluding Goods
(Thousands)

Type	2012/13		2011/12		2010/11	
Inuit	$2,767	71%	$3,553	83%	$3,087	90%
Nunavut	1,129	29	737	17	358	10
Total	$3,896	100%	$4,290	100%	$3,445	100%

This section analyses the value of contracts in the >$25,000 to <=$100,000 dollar value threshold, excluding goods Purchase Orders, that were awarded to Inuit and Nunavut firms located in the same community where the work is required.

In 2012/13, of the $25,842,000 of contracts in the >$25,000 to <=$100,000 dollar value threshold excluding Purchase Orders, a total of $3,896,000 was awarded to Local Inuit and Nunavut businesses. Of this $3,896,000 value, $2,767,000 was awarded to Local Inuit firms (71%) and $1,129,000 was awarded to Local Nunavut firms.

In 2011/12 of the $24,878,000 of contracts in the >$25,000 to <=$100,000 dollar value threshold, excluding Purchase Orders, a total of $4,290,000 was awarded to Local Inuit and Nunavut businesses. Of this $4,290,000 value, $3,553,000 was awarded to Local Inuit firms (83%) and $737,000 was awarded to Local Nunavut firms.

In 2010/11, of the $24,488,000 (rounded to the nearest thousand) of contracts in the >$25,000 to <=$100,000 dollar value threshold, excluding Purchase Orders, a total value of $3,445,000 was awarded to Local Inuit and Nunavut Businesses. Of this $3,445,000 value, $3,087,000 was awarded to Local Inuit firms (90%), and $358,000 was awarded to Local Nunavut firms (10%).

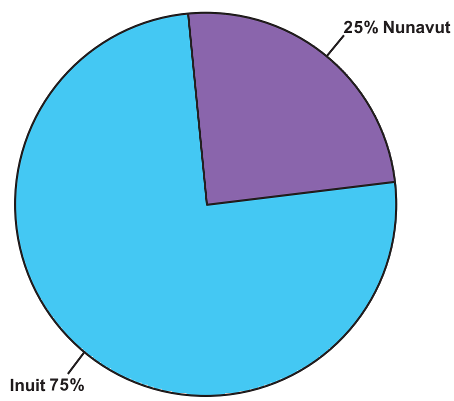
From this three-year trend, we can see that Local Inuit firms receive a much larger majority of Local Awarded Contracts than do Nunavut firms. It is worthwhile to note that companies who are registered under the NNI Policy as approved Inuit Firms and Nunavut Businesses are eligible for the full 21% of bid adjustments permitted under the NNI Policy.

Note: Hamlets, Housing Authorities, Nunavut Arctic College and Inuit organizations are not Local under the NNI Policy because they are not businesses registered with NTI as Inuit Firms, or with the GN as Nunavut Businesses.

Contracts >$25,000 <=$100,000, Local, Volume

The chart below *"Government of Nunavut Contracts Awarded to Local Business – Based on Volume – For Contracts > $25,000 to <= $100,000 – Excluding Goods"* summarizes the distribution of contracts awarded to local businesses, based on quantity for contracts greater than $25,000 and less than or equal to $100,000 excluding goods.

Government of Nunavut
Contracts Awarded to Local Business – Based on Volume
For Contracts > $25,000 to <= $100,000
Excluding Goods
2012/13



Contracts Awarded to Local Business – Based on Volume
For Contracts >$25,000 to <=$100,000 – Excluding Goods

Type	2012/13		2011/12		2010/11	
Inuit	52	75%	68	83%	59	88%
Nunavut	17	25	14	17	8	12
Total	69	100%	82	100%	67	100%

In 2012/13, of the 478 contracts excluding Purchase Orders in this value threshold, 69 were awarded to Local Inuit and Nunavut businesses (14%). Of the 69 contracts, 52 were awarded to Local Inuit firms (75%) and 17 were awarded to Local Nunavut firms (25%).

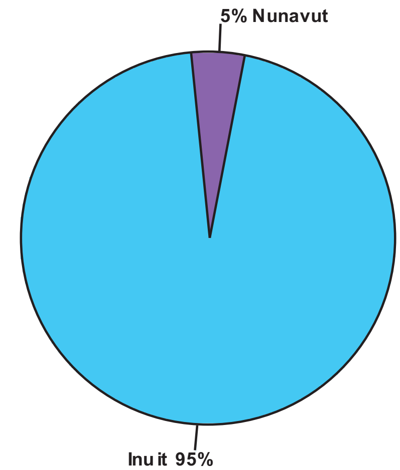
In 2011/12, of the 478 contracts excluding Purchase Orders in this value threshold, 82 were awarded to Local Inuit and Nunavut businesses (17%). Of the 82 contracts, 68 were awarded to Local Inuit firms (83%) and 14 were awarded to Local firms (17%).

In 2010/11, of the 449 contracts excluding Purchase Orders in this value threshold, 67 were awarded to Local Inuit and Nunavut Businesses (15%). Of the 67 contracts, 59 were awarded to Local Inuit firms (88%), and 8 were awarded to Local Nunavut firms (12%).

Contracts >$100,000, Local, Value

The chart below *"Government of Nunavut Contracts Awarded to Local Business – Based on Value – For Contracts > $100,000 – Excluding Goods"* summarizes the distribution of contracts awarded to local businesses, based on value for contracts greater than $100,000 excluding goods.

Government of Nunavut
Contracts Awarded to Local Business – Based on Value
For Contracts > $100,000
Excluding Goods
2012/13



Contracts Awarded to Local Business – Based on Value
For Contracts >$100,000 – Excluding Goods
(Thousands)

Type	2012/13		2011/12		2010/11	
Inuit	$106,156	95%	$68,230	90%	$32,118	93%
Nunavut	5,069	5	7,453	10	2,578	7
Total	$111,225	100%	$75,683	100%	$34,696	100%

This section analyses the value contracts in the >$100,000 dollar value threshold, excluding Purchase Orders, that were awarded to Local Inuit or Nunavut firms.

In 2012/13, of the $298,851,000 of contracts in this category $111,225,000 was awarded to Local Inuit or Nunavut firms (37%). Of the $111,225,000, 95% or $106,156,000 was awarded to Local Inuit firms, and 5% or $5,069,000 was awarded to Nunavut firms.

In 2011/12, of the $241,832 (rounded to the nearest thousand) of contracts in the >$100,000 dollar value threshold, excluding Purchase Orders, $75,683,000 (rounded to the nearest thousand) was awarded to Local Inuit and Nunavut Businesses (31%). Of the $75,683,000, $68,230,000 was awarded to Local Inuit firms (90%), and $7,453,000 was awarded to Local Nunavut businesses (10%).

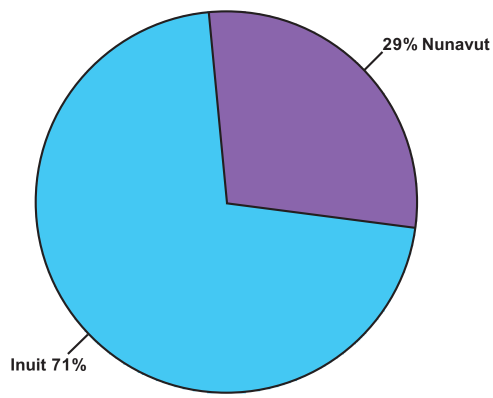
In 2010/11, of the $218,162 of contracts in the >$100,000 dollar value threshold, excluding purchase orders, $34,696,000 or 16% was awarded to Local Inuit and Nunavut Businesses. Of this amount 93% or $32,118,000 was awarded to Inuit firms and 7% or 2,578,000 were awarded to Nunavut firms.

A seven-year analysis shows clearly that Inuit firms consistently win more contracts (volume) and higher dollar value, in this dollar range than Nunavut firms; however, firms with Inuit and Nunavut status are included in the Inuit statistics.

Contracts > $100,000, Local, Volume

The chart below *"Government of Nunavut Contracts Awarded to Local Business – Based on Volume – For Contracts > $100,000 – Excluding Goods"* summarizes the distribution of contracts awarded to local businesses, based on the volume of contracts greater $100,000 excluding goods.

Government of Nunavut
Contracts Awarded to Local Business – Based on Volume
For Contracts > $100,000
Excluding Goods
2012/13



Contracts Awarded to Local Business – Based on Volume
For Contracts >$100,000 – Excluding Goods

Type	2012/13		2011/12		2010/11	
Inuit	20	71%	54	79%	42	84%
Nunavut	8	29	14	21	8	16
Total	28	100%	68	100%	50	100%

In 2012/13, of the 286 awarded contracts in the >$100,000 dollar value threshold, excluding purchase orders, 28 were awarded to Local Inuit and Nunavut businesses (10%). This shows a significant decrease in volume from 2009/10 and 2011/12.

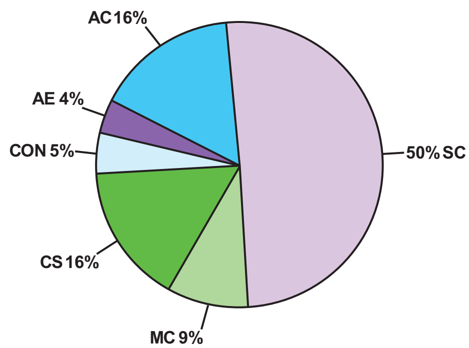
In 2011/12, of the 341 awarded contracts in the >$100,000 dollar value threshold, excluding Purchase Orders, 68 were awarded to Local Inuit and Nunavut Businesses (20%). Of the 68 contracts, 54 were awarded to Local Inuit firms (79%) and 14 were awarded to Local Nunavut firms (21%).

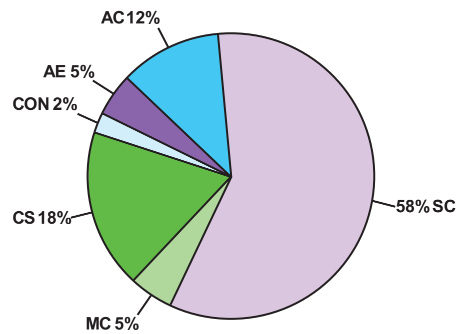
In 2010/11, of the 348 awarded contracts in the >$100,000 dollar value threshold, excluding Purchase Orders, 50 or 14% were awarded to Inuit and Nunavut firms.

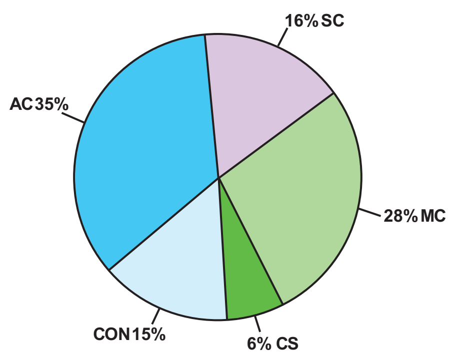
5. Submissions Received

The chart below *"Government of Nunavut Distribution of Submissions Received From Inuit & Non Inuit Firms – Based on Volume – Excluding Goods and Sole Sources"* summarizes the distribution of submissions received between Inuit and non-Inuit firms based on volume.

Government of Nunavut
Distribution of Submissions Received Between Inuit and Non-Inuit Firms
Based on Volume
Excluding Goods and Sole Source
2012/13







Distribution of Submissions Received Between Inuit & Non Inuit Firms Based on Volume – Excluding Goods and Sole Source

2012/13

Type	Total		Inuit		Non-Inuit	
Air Charter (AC)	195	16%	81	42%	114	58%
Architectural/Engineering (AE)	47	4	-	-	47	100
Construction (CON)	56	5	34	61	22	39
Consulting Services (CS)	193	16	15	8	178	92
Minor Construction or Maintenance Services (MC)	112	9	64	57	48	43
Service Contracts (SC)	611	50	38	6	573	94
Total	1,214	100%	232	19%	982	81%

2011/12

Type	Total		Inuit		Non-Inuit	
Air Charter (AC)	276	21%	121	44%	155	56%
Architectural/Engineering (AE)	99	8	16	16	83	84
Construction (CON)	60	5	33	55	27	45
Consulting Services (CS)	89	7	12	13	77	87
Minor Construction or Maintenance Services (MC)	126	10	73	58	53	42
Service Contracts (SC)	640	50	106	17	534	83
Total	1,290	100%	361	28%	929	72%

2010/11

Type	Total		Inuit		Non-Inuit	
Air Charter (AC)	281	26%	103	37%	178	63%
Architectural/Engineering (AE)	53	5	1	2	52	98
Construction (CON)	78	7	34	44	44	56
Consulting Services (CS)	187	17	23	12	164	88
Minor Construction or Maintenance Services (MC)	115	11	84	73	31	27
Service Contracts (SC)	372	34	23	6	349	94
Total	1,086	100%	268	25%	818	75%

During the fiscal year 2012/13, we see a decrease in the volume of submissions from Inuit Firms. This decrease of 36% (from 361 to 232 submissions) is significant. Prior to this year we had seen four years of increases in Inuit firm participation.

The volume of submissions from Non-Inuit firms continues to grow over the past six years.

In the last three years since 2010/11 to 2012/13, we have seen a decrease in contract volume of less than 1%. However, the volume of submissions from Inuit firms has decreased by 13%.

From 2010/11 to 2012/13, a three-year trend indicates that approximately 75% of bids received are from Non-Inuit firms and 25% from Inuit firms. In 2012/13 we see a change as Inuit firm submissions are only 19% of the submissions.

6. Inuit Labour

The table below "*Government of Nunavut Analysis of Inuit Labour – Minor Construction or Maintenance"* summarizes the involvement of Inuit Labour on construction and maintenance contracts less than $100,000.00. This contract type is also more commonly referred to as a "Minor Works" or "O&M" contract.

	2012/13			2011/12			2010/11		
	Avg % Required	Avg % Bid	Avg % Achieved	Avg % Required	Avg % Bid	Avg % Achieved	Avg % Required	Avg % Bid	Avg % Achieved
Across Nunavut	27%	41%	45%	37%	51%	54%	46%	60%	62%
Baffin	22	41	46	27	44	47	25	38	42
Kitikmeot	3	4	5	23	27	14	33	42	44
Kivalliq	40	50	55	56	66	73	55	69	71

The values provided for Minor Construction Contracts across Nunavut over the last three fiscal years indicate that contractors on average are able to exceed the minimum requirements, both in their bids, and throughout the contract. The Average Percent Achieved from 2010/11 to 2011/12 decreased by 8% (Notable exception: Kitikmeot 2011/12).

The table below "*Government of Nunavut Analysis of Inuit Labour – Major Construction"* summarizes the distribution of Inuit Labour on construction contracts in excess of $100,000.00. This type of contract is more commonly referred to as a "Major Works" or "Capital Project" contract.

	2012/13			2011/12			2010/11		
	Avg % Required	Avg % Bid	Avg % Achieved	Avg % Required	Avg % Bid	Avg % Achieved	Avg % Required	Avg % Bid	Avg % Achieved
Across Nunavut	35%	38%	39%	34%	37%	33%	31%	35%	36%
Baffin	20	22	24	22	25	35	30	33	30
Kitikmeot	33	34	34	30	32	-	30	30	36
Kivalliq	44	49	51	42	45	31	34	41	54

For Major Works the average required rate has fluctuating over the last three years. The average percentage achieved in Nunavut has also been fluctuating.

For both minor construction and major construction, contractors tend to bid higher labour rates than are required.

The table below summarizes *Actual Bonuses Paid and Penalties Assessed* on Major Works Construction and Minor Works Construction and Maintenance Services.

	2012/13		2011/12		2010/11	
	Bonuses	Penalties	Bonuses	Penalties	Bonuses	Penalties
Nunavut	$1,158,710	$153,763	$730,060	$215,560	$1,211,556	$61,383
Baffin	$ 965,415	$ 57,274	$654,133	$ 49,200	$ 762,761	$54,437
Kitikmeot	$ 37,620	-	$ 5,160	-	$ 340,243	-
Kivalliq	$ 155,675	$ 96,489	$ 70,767	$166,360	$ 108,552	$ 6,946

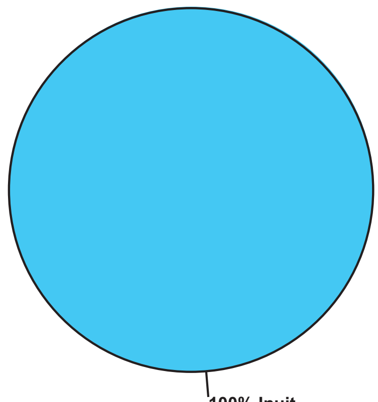
Bonuses are paid or penalties are levied when contractors exceed or do not achieve the contracted Inuit Labour requirement.

The above figures reflect Bonuses and Penalties paid out or collected in each year of the respective fiscal years. In the fiscal year 2010/11 and 2012/13 the amount of bonuses exceeded the penalties. In 2011/12 penalties levied on contractors exceeded the bonuses for the Kivalliq region only.

7. NNI Adjustments

The chart below *"Government of Nunavut Distribution of NNI Awarded Contracts – Based on Value"* summarizes the distribution of all contracts received excluding goods and sole sourced contracts.

Government of Nunavut
Distribution of NNI Awarded Contracts – Based on Value
2012/13



* Zero Data, Nunavut

Distribution of NNI Awarded Contracts – Based on Value

Contract Excluding Goods & Sole Source	2012/13		2011/12		2010/11	
Inuit	$146,849	100%	$20,895	100%	$1,061	12%
Nunavut	-	-	-	-	8,154	88
Total	$146,849	100%	$20,895	100%	$9,215	100%

This section analyses the value and volume of contracts excluding Goods and Sole Sources that were awarded to a contractor that would not have won the contract without the bid adjustments.

This information is based on All Contracts, excluding Purchase Orders and Sole Sources. NNI Adjustments are applied to determine the low bidder or the best value proposal that will be awarded a contract. A contract awarded "due to NNI Adjustments" is a contract that would have been awarded to another company, but the application of NNI adjustments changed the lowest price tender, or highest rated proposal.

A seven-year trend analysis would indicate that Inuit firms are awarded a greater volume of contracts than are Nunavut firms. Nunavut firms that are also registered as Inuit firms receive a larger bid adjustment.

Non-registered (Other) firms can receive NNI pricing adjustments when maximizing Inuit and Nunavut Content in their bids by using registered Inuit, Nunavut and Local subcontractors and suppliers, and hiring Inuit and Nunavut labour.

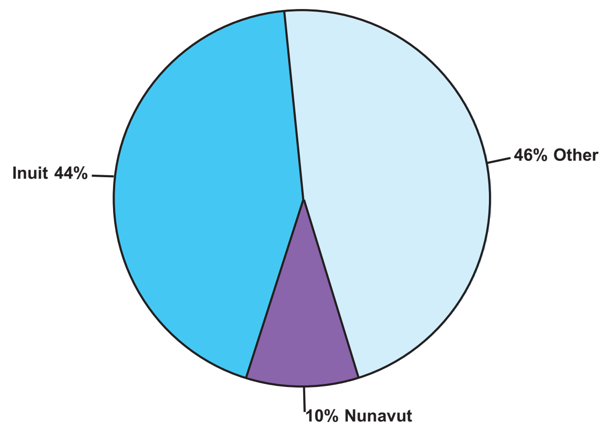
The number of contracts that have been awarded due to NNI Bid Adjustments remains low. However, this section does not look at Goods Contracts, a category which Inuit firms are more successful at winning.

Note: As of May 2006, the NNI Policy allows for a non-Local bidder to receive the Local Adjustment if no local bidder has submitted or responded to the contract opportunity. The bidder need not be based in the community where the good, service or construction is required, but they must be a NNI- or NTI-registered business and also be based somewhere in Nunavut to get the adjustment. Refer to NNI Policy section 11.1(g).

8. Comparison to Prior Year (Thousands)

The chart below *"Government of Nunavut Comparison to Prior Year Based on Contract Value"* summarizes the comparison of current year to previous year contract value.

**Government of Nunavut
Comparison to Prior Year
Based on Contract Value
2012/13**



	2012/13		2011/12	
Inuit	$154,235	44%	$127,575	43%
Nunavut	34,435	10	12,176	4
Other	163,954	46	157,381	53
Total	$352,624	100%	$297,132	100%

The value of all contracts increased by 18.6% for the year 2012/13;

The value of contracts to Inuit increased by 21%;

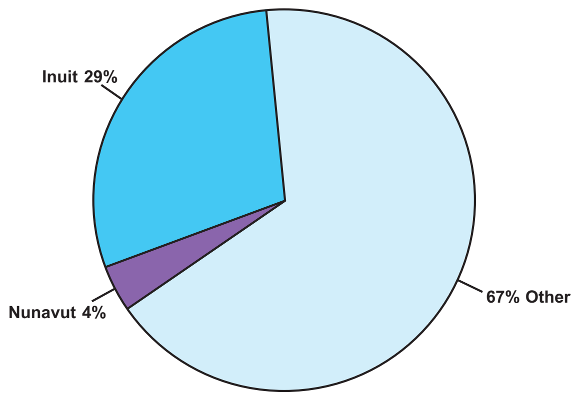
The value of contracts to Nunavut increased by 183%; and

The value of contracts to Other increased by 4%.

It should be noted that Inuit and Nunavut companies must maintain their status on an annual basis. Failure to re-apply in a given year may result in loss of status and denial of bid adjustments. The NNI and Inuit Firms registries are updated on a daily basis, and the contractor status is reported on the date of competition close (or contract award in the case of Sole Sources). This is a contributing factor of awards to Inuit and Nunavut fluctuating from year to year.

The chart below *"Government of Nunavut Comparison to Prior Year Based on Contract Volume"* summarizes the comparison of current year to previous year contract volume.

Government of Nunavut
Comparison to Prior Year
Based on Contract Volume
2012/13



	2012/13		2011/12	
Inuit	533	29%	654	35%
Nunavut	72	4	76	4
Other	1,209	67	1,150	61
Total	1,814	100%	1,880	100%

The overall volume of contracts decreased by 3.5% in 2012/13;

The volume of contracts to Inuit decreased by 19%;

The volume of contracts to Nunavut decreased by 5%;

The volume of contracts to Other increased by 5%.

A four-year trend analysis indicates 33% of contracts go to Inuit firms, 6% to Nunavut firms and 60% to Other firms.

While the number of contracts awarded to Inuit firms has decreased by 19%, note also that the number of submissions from Inuit firms decreased by 36%.

Appendix A:

Definition of Terms and Abbreviations

Terms

"Contracting Method": refers to the way a contract is awarded. There are, primarily, three ways of awarding contracts in the GN: Requesting Tenders, Requesting Proposals and Sole Sourcing. Another way of awarding a contract is by negotiation; however, only Cabinet can award or approve awarding without competition when competition is available.

"Goods": means contracts for the purchase of goods or "Purchase Orders." Goods contracts are primarily awarded by the CGS Purchasing Section on behalf of GN Departments.

"Inuit" or "Inuit Firm": means a company that is 51% owned by Inuit and is included on the Nunavut Tunngavik Inc. (NTI) Inuit Firms Listing at the time the contract is awarded.

"Large Contracts": are Goods contracts with a value of $5,000 and greater, and all other Contract Types with a value of $25,000 and greater.

"Local": means an Inuit Firm or Nunavut Businesses whose business is based in the community where the work or goods are required.

"Nunavut": means a company that is located in Nunavut and 51% owned by Nunavut Residents and is included on the GN's Registry of Approved Nunavut Businesses at the time the contract is awarded.

Other: means companies, persons or organizations that were not registered with NTI or the GN at the time the contract was awarded.

"Small Contracts": includes contract award values between $5,000 and $25,000, and does not include Local Contract Authority (LCA) contracts.

"Sole Source": means awarding a contract without a competitive request for tenders or proposals; special criteria apply.

Abbreviations Defined

Departments

CGS	Community and Government Services
CLEY	Culture, Language, Elders and Youth
EDT	Economic Development and Transportation
EDU	Education
EIA	Executive and Intergovernmental Affairs
ENV	Environment
FIN	Finance
HR	Human Resources
HSS	Health and Social Services
JUS	Justice

Contracting Types

AC	Air Charter
AE	Architectural/Engineering
CON	Construction
CS	Consulting Services
MC	Minor Construction or Maintenance
PO	Purchase Orders
SC	Service Contracts

Contracting Methods

IRFP	Invitational Request For Proposals
IT	Invitational Tender
PRFP	Public Request For Proposals
PT	Public Tender
SA	Sole Source Architectural/Engineering
SE	Sole Source Emergency
SS	Sole Source
SV	Sole Supplier or Vendor