GOVERNMENT OF NUNAVUT

Contract Activity Report

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Fiscal Year 2010/11

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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 2010/11.

- Statistically we now have 6 years of data that is comparable in that we have gathered the same data.
- The total value of contracts awarded by the GN increased by 14% from 2009/10 to 2010/11. The ratio of contracts awarded to Nunavut firms decreased by 28% of the total value and contracts awarded to Inuit firms increased by 8%. Contracts to Other firms increased by 26%.
- The number of contracts awarded is up by 2.2% from 2009/10 to 2010/11.
- The number of contracts awarded to Inuit Firms increased by 9%, and the number of contracts to Nunavut Businesses decreased by 32% while the total number of contracts awarded to other increased by 4%.
- Over the 2007/08 to 2009/10 years, the combined value of contracts awarded to Inuit and Nunavut firms had been increasing. The percentage of contract volume to Inuit and Nunavut firms had increased from 39% to 46%. In 2010/11 the combined value of contracts to Inuit and Nunavut firms decreased to 41%. This may be due to the decrease in Major Construction dollars in 2010/11.
- As the total value of contracts grows the value of contracts to Other is decreasing. In 2008/09 and 2009/10 Inuit and Nunavut firms were winning an increasing proportionate share of the value of contracts awarded. However in 2010/11 this trend has changed. Contracts to "Other" increased by 5%, as a proportionate share.
- 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. For example, when looking at the significant decrease in Air Charter awards to Nunavut, one most also consider the significant increase to Inuit.
- As the volume of contracts has grown by 2.2% , it is interesting to note that, the volume of contracts awarded to Other firms has grown by 4% in comparison. The volume to combined Inuit and Nunavut decreased by less than 1%.
- A three year trend analysis shows Inuit and Nunavut firms combined win an average of 44% of volume and 44% of the value of all contract dollars and "Other" wins 56% of volume and 56% of value.
- Roughly 49% of the volume of contracts awarded over the last 3 years are less than $25,000. Inuit Firms win 41 - 46% of these contracts and 44 - 49% went to Other. The remaining 7 - 11% went to Nunavut.
- 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 and Purchase Orders. In 2010/11, Inuit Firms saw a significant increase in the volume and value of Air Charters.
- Inuit and Nunavut firms combined (5 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.

- 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 part six years.

- The distribution of the volume of contracts according to value categories has been largely consistent over the past 4 years.

<=$25,000	50%
>$25,000 to <=$100,00	31%
>$100,000	20%

- The 2010/11 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 goods contracts (volume of Purchase Orders) as opposed to contracts for Services or Consulting.

- A 4 year trend analysis shows that a significant volume of Sole Source contracts is in the dollar range >$25,000 to <=$100,000. In 2010/11, 46% of the volume of Sole Source contracts were in this range. In 2009/10 48% of the volume of all Sole Sourced contracts were in this value range. In 2008/09 they represented 60% of the volume and in 2007/08 they represented 56% of the volume. 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 2010/11, 58% of the Sole Sources were in the >$25,000 to <=$100,000 range.

- Sole Source contracts of higher value are awarded more to Other (non Inuit and non-Nunavut) firms.

- Overall, the volume of contracts Sole Sourced is 22%. This represents a decrease in the number of Sole Source contracts by 3.5%.

- In 2009/10 the number of submissions from Inuit firms (excluding goods orders) increased by 52% from 2008/09 to 2009/10. In 2010/11 the Inuit firm participation increased a further 11%. This illustrates that Inuit firms are participating in competitive contracting projects at a rate that exceeds the growth in the total number of competitions.

- The top three categories of contracts where the combined Inuit and Nunavut firms win the greatest volume (number) by proportionate share of contracts is in Major and Minor Works Construction and Air Charters.

- 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 complete better for goods contracts rather than service contracts. This report does not analyze the value of contracts in each threshold category awarded to Inuit, Nunavut and Other. It only looks at volumes (pages 12 and 13).

- The number of Inuit Firms responding to Tender calls for construction (Major Works) has remained high in 2009/10. This indicates an increase in participation by Inuit firms in this area. Bids from Inuit Firms for Minor Works Construction and Maintenance Services continues to increase; a contract type that traditionally sees a high level of participation by Inuit Firms.

- Across Nunavut, in 2010/11, contractors achieved and exceeded the minimum Inuit Labour requirements in Minor Construction and Maintenance contracts (MC) and Major Works contracts.

NNI Policy Observations:

- The number of contracts that have been awarded due to the NNI Bid Adjustments remains low.

- A manual review of contracts including goods and contracts awarded due to the bid adjustments of the NNI Policy indicate the following:

Year	Number of Contracts	% of Total	Value of Contracts	Additional Cost to the GN
2010/11	57	3.1%	$11,028,315	$166,108
2009/10	59	3.3%	$23,976,383	$2,055,354
2008/09	27	1.7%	$4,628,549	$312,421

Exceptions

- Note: The statistical numbers in this report do not include two (2) large categories of contracts. These are:

	2008/09	2009/10	2010/11
Medical Travel	$32 Million (est.)	$29 Million (est.)	$32.5 Million (est.)
Fuel (PPD)	$195 Million (est.)	$140 Million (est.)	$162.5 Million (est.)

- These two high value categories total over $169 million in 2009/10. These contracts are all the result of a competitive bidding process. If we include these numbers, Sole Source contracts would value less than 8% of total contract award values. Eliminating these numbers from the statistical analysis allows for a more detailed and closer examination of Sole Sourcing.

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 Sole Source Contracts has decreased by 2.2% from the fiscal year 2009/10 to 2010/11. This represents a 10% increase in value.

- The volume of contracts Sole Sourced is 22% of all contracts awarded. This statistic is trending downward over the last four years.

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 Government of Nunavut (GN) Contract Procedures Manual (1st Edition). Information in this report is for GN contracting activity during the 2010/11 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 Contract 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.

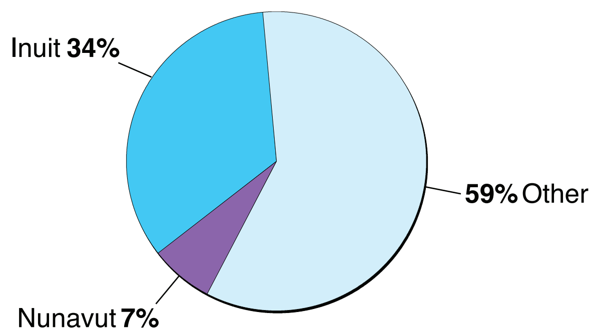
Summary

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
2010/11



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

In 2010/11 the total value for all contracts was, $271,132,000 (rounded to the nearest thousand dollars). $92,566,000 was awarded to Inuit (34%), $18,553,000 to Nunavut (7%) and $163,013,000 to Other (59%).

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

Type	Awarded		Inuit		Nunavut		Other	
2010/11	$271,132	100%	$92,566	34%	$18,553	7%	$160,013	59%
2009/10	$236,972	100	$85,895	36	$23,825	10	$127,252	54
2008/09	$269,411	100%	$99,674	37%	$18,660	7%	$151,077	56%

It is worthwhile to note that the category Other in this report includes specialized care contracts awarded by HSS, Airport Maintenance 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.

From the table above, a three year trend analysis shows "Inuit" and "Nunavut" firms win an average of 44% of the value of contracts and "Other" wins 56%. This has been quite consistent over the last three years.

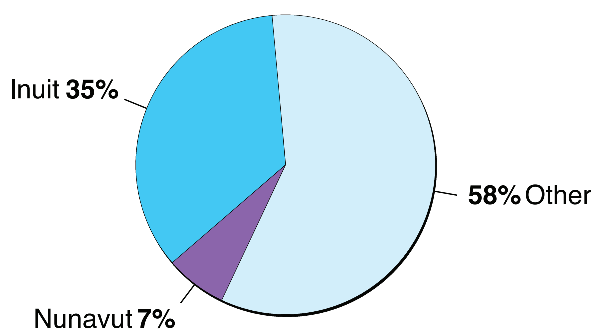
If we exclude contracts awarded to hamlets, municipal corporations, and related entities such as Nunavut Arctic College, we find that a significant number of the contracts awarded to entities that fall within the Other category represent business sectors in the Nunavut economy which are at a competitive 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, delivery and /or sale volumes relative to initialisation, 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. 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. A listing of contracts awarded by Government of Nunavut is reported annually in the report entitled the **Procurement Activity Report**.

For the 2010/11 fiscal year, there has been a decrease of 5% in the proportionate share value of contracts which were awarded to the combined Inuit and Nunavut companies. In real dollars, this still represents an increase of 1.2% or 1.4 million.

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
2010/11



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

Type	Awarded		Inuit		Nunavut		Other	
2010/11	1,822	100%	637	35%	121	7%	1,064	58%
2009/10	1,783	100	584	33	177	10	1,022	57
2008/09	1,521	100	545	36	150	10	826	54

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

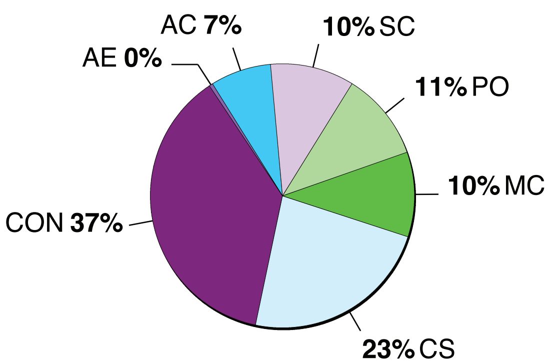
The total volume for all contracts was 1822. Inuit were awarded 637 or 35%, 121 to Nunavut or 7% and 1064 to Other or 58%. These values reflect a 2.2% growth in the number of contracts issued. The volume of contracts awarded to "Other" increased by 4%.

From the table above, a three year trend shows Inuit and Nunavut firms win 44% of the volume of contracts and Other wins 46% of the volume.

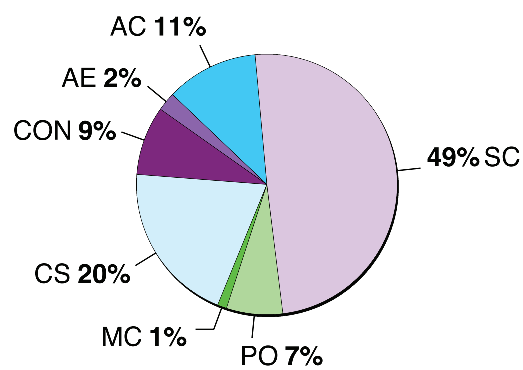
The chart below *"Government of Nunavut Distribution of Contracts Awarded by Type - Based on Value"* summarizes the distribution of contract types awarded to Inuit, Nunavut, and Other by value.

Government of Nunavut
Distribution of Contracts Awarded by Type
Based on Value
2010/11

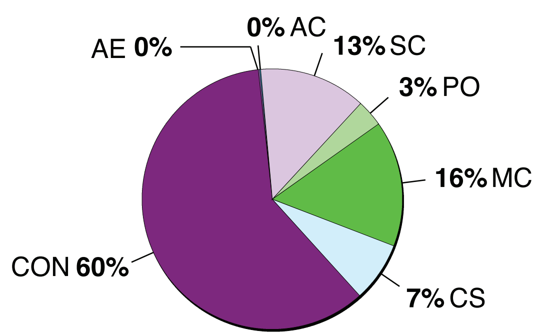
Inuit



Other



Nunavut



Distribution of Contracts Awarded by Type - Based on Value
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%

2009/10 (Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$3,514	1%	$1,474	42%	$160	5%	$1,880	54%
Architectural/Engineering (AE)	3,777	2	-	-	-	-	3,777	100
Construction (CON)	97,820	41	53,285	54	13,046	13	31,489	32
Consulting services (CS)	10,745	5	1,219	11	1,524	14	8,002	74
Minor Construction or Maintenance Services (MC)	10,464	4	6,066	58	3,581	34	817	8
Purchase Orders (PO)	19,764	8	9,219	47	468	2	10,077	51
Service Contracts (SC)	90,889	38	14,632	16	5,046	6	71,211	78
Total	$236,973	100%	$85,895	36%	$23,825	10%	$127,253	54%

2008/09 (Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$47,047	17%	$2,100	4%	$1,483	3%	$43,464	92%
Architectural/Engineering (AE)	11,187	4	129	1	472	4	10,586	95
Construction (CON)	111,589	41	80,636	72	6,905	6	24,048	22
Consulting services (CS)	17,248	6	-	-	1,205	7	16,043	93
Minor Construction or Maintenance Services (MC)	7,866	3	3,319	42	3,519	45	1,028	13
Purchase Orders (PO)	20,259	8	9,155	45	1,278	6	9,826	49
Service Contracts (SC)	54,215	20	4,335	8	3,798	7	46,082	85
Total	$269,411	100%	$99,674	37%	$18,660	7%	$151,077	56%

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, out of $92,566,000 to Inuit Firms, 37% was for Major Works Construction.

Inuit and Nunavut companies, in general, are awarded the majority of the volume of Air Charter contracts (62%); this represents only 27% of the value.

The tables above indicate that as the total value of contracts increased (14%) in 2010/11 the value of contracts to Other increased by 26%. In 2008/09 and 2009/10, Inuit and Nunavut firms are winning a consistent proportionate share of the value of contracts awarded.

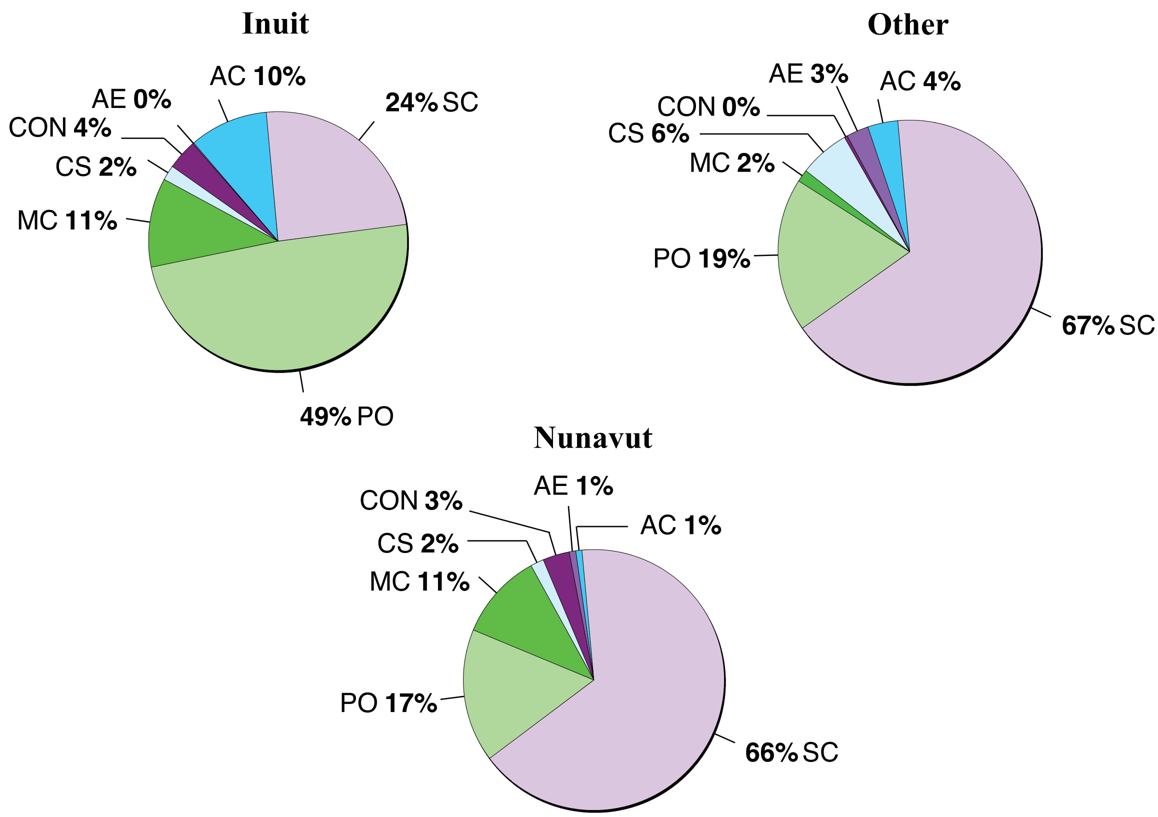
The pie charts indicate the percentage value of contracts to Inuit by type. Out of all the contracts that were won by Inuit firms, $34,618,000 or 37% were for construction - Major Works contracts. Overall, the value of construction fell by 39% from 2009/10.

Air Charters in 2008/09 show an unusually high value. This is due to medical air ambulance being reported as air charters. That year medical air ambulance was a multi-year awarded contract.

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 (74%) and a majority of the volume (81%).

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
2010/11



Distribution of Contracts Awarded by Type - Based on Volume
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%

2009/10

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	114	6%	61	54%	7	6%	46	40%
Architectural/Engineering (AE)	22	1	-	-	-	-	22	100
Construction (CON)	30	2	17	57	7	23	6	20
Consulting services (CS)	89	5	10	11	6	7	73	82
Minor Construction or Maintenance Services (MC)	84	5	56	67	19	23	9	11
Purchase Orders (PO)	497	28	279	56	20	4	198	40
Service Contracts (SC)	947	53	161	17	118	12	668	71
Total	1,783	100%	584	33%	177	10%	1,022	57%

2008/09

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	106	7%	73	69%	7	7%	26	25%
Architectural/Engineering (AE)	27	2	1	4	1	4	25	93
Construction (CON)	33	2	20	61	5	15	8	24
Consulting services (CS)	94	6	-	-	9	10	85	90
Minor Construction or	73	5	27	37	28	38	18	25
Maintenance Services (MC)	73	5	27	37	28	38	18	25
Purchase Orders (PO)	539	35	294	55	25	5	220	41
Service Contracts (SC)	649	43	130	20	75	12	444	68
Total	1,521	100%	545	36%	150	10%	826	54%

This sub-section analyzes 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.

In 2008/09 the numbers show that the combined Inuit and Nunavut firms competed well in the categories of Minor Construction and Maintenance Services (75% of the total), Air Charters (75% of the total) and Construction (76% of the total). In 2009/10, the numbers show that Inuit and Nunavut firms have gained some ground in Minor Construction and Maintenance Services (90%) and also gained in Major Construction (80%).

In 2010/11, the combined Inuit and Nunavut firms win the lowest share of contracts for Architectural and Engineering (6%), Service contracts (25%) and Consulting Services(18%). This is consistent over the last four (5) years.

Over the last four (4) years, combined Inuit and Nunavut firms have won between 58 - 62% of Purchase Orders.

Over the last five (5) years, combined Inuit and Nunavut firms performed best in the categories of Major Works Construction, Minor Construction and Maintenance and Air Charters.

For the four year data, the volume of contracts to Other firms is between 54 - 58%. Therefore as the number of contracts overall grows, the ratio of contracts to Other firms versus the combined Inuit and Nunavut remain consistent.

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). Purchase Orders to “Other” include the Territory’s annual alcohol supply and fuel re-suppliers products that are not available for purchase in Nunavut.

Over the last three years we noted that Inuit and Nunavut firms do not win many contracts for Architectural and Engineering, Consulting Services and Service Contracts.

2. Contract Types

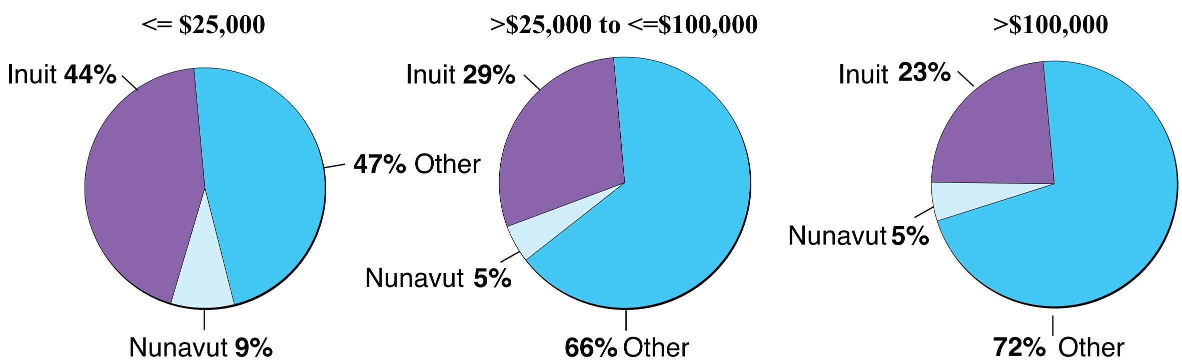
This section of the report analyses contract types awarded based on three broad value categories:

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
2010/11



Distribution of Contract Values Awarded - Based on Volume - Including Goods
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%

2009/10

Type	Awarded		Inuit		Nunavut		Other	
<=$25,000	901	51%	365	41%	100	11%	436	48%
>$25,000 to <=$100,000	547	31	146	27	52	10	349	64
>$100,000	335	19	73	22	25	7	237	71
Total	1,783	100%	584	33%	177	10%	1,022	57%

2008/09

Type	Awarded		Inuit		Nunavut		Other	
<=$25,000	761	50%	347	46%	81	11%	333	44%
>$25,000 to <=$100,000	471	31	147	31	40	8	284	60
>$100,000	289	19	51	18	29	10	209	72
Total	1,521	100%	545	36%	150	10%	826	54%

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 six reports.

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

	Inuit/Nunavut	Other
<=$25,000	54%	46%
>$25,000 to <=$100,000	37%	63%
>$100,000	28%	72%

The pie charts and tables above set out the distribution of contract dollars 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 2010/11 fiscal year, 47% of the overall volume of contracts were for contracts between $5,000 and $25,000; Inuit and Nunavut firms won 53% of contract volume in this value category. This is up by 1% from last year as a proportionate share however there has been a decrease of 3% in volume to Inuit and Nunavut firms.

- 31% of the contracts were in the greater than $25,000 and less than or equal to $100,000 category; Inuit and Nunavut firms won 34% (Inuit 29% and Nunavut 5%) of contract volume in this value category as a proportionate share. This is down 3% from last year even though the volume of contracts is down by 1%.

- 22% of the contracts awarded were contracts valued at greater than $100,000; Inuit and Nunavut firms won 28% of the volume of these contracts. This is down 1% 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 51 - 56% of these contracts.

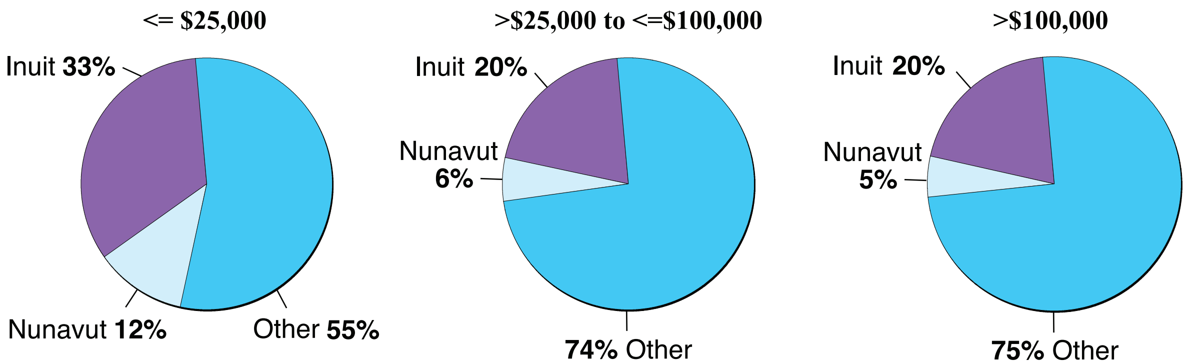
- contracts between $25,000 and $100,000 represent roughly 30% of the total volume and Inuit and Nunavut firms are awarded between 34 - 39% of these contracts.

- contracts worth over $100,000 represent roughly 20% of the total volume and Inuit and Nunavut firms are awarded 28 - 29% of these contracts.

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
2010/11



Distribution of Contract Values Awarded - Based on Volume - Excluding Goods
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%

2009/10

Type	Awarded		Inuit		Nunavut		Other	
<=$25,000	573	45%	180	31%	83	14%	310	54%
>$25,000 to <=$100,000	421	33	70	17	50	12	301	71
>$100,000	292	23	55	19	24	8	213	73
Total	1,286	100%	305	24%	157	12%	824	64%

2008/09

Type	Awarded		Inuit		Nunavut		Other	
<=$25,000	408	42%	141	35%	70	17%	197	48%
>$25,000 to <=$100,000	330	34	79	24	29	9	222	67
>$100,000	244	25	31	13	26	11	187	77
Total	982	100%	251	26%	125	13%	606	62%

When Goods contracts are removed, the number of contracts less than $25,000 decreases by approximately 74%. The number of contracts between $25,000 and $100,000 decreases by approximately 28%. The number of contracts over $100,000 decreases by only 13%.

In the pie charts above we examine the number of contracts excluding contracts for the purchase of goods. Contracts for goods alone represents a volume of 532 or 29%.

Impact Inuit Firms, with goods contracts removed, Proportionate Share

- The volume of contracts > $5,000 to <=$25,000 awarded to Inuit firms decreases by 11% when goods contracts are removed.
- Contracts >$25,000 to <=$100,000 awarded to Inuit firms decrease by 9%.
- Contracts >$100,000 awarded to Inuit Firms decreased by 3%, 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 increases by 3%, with goods contracts removed.
- Contracts >$25,000 to <=$100,000 - Awarded to Nunavut firms increases by 1%, with goods contracts removed.
- Contracts >$100,000 - Awarded to Nunavut firms actually remains unchanged, 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 8%.
- Contracts >$25,000 to <=$100,000 - Awarded to Other firms increases by 8%.
- Contracts >$100,000 - Awarded to Other firms increases by 3%

For the last five 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 service contracts.

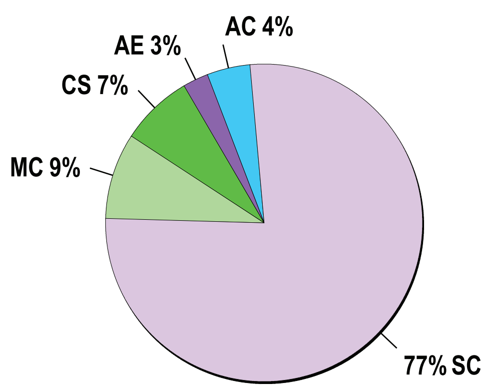
Inuit firms are also winning about half of the goods supply contracts over the $25,000 and $100,000 value threshold categories. This suggests Inuit firms are able to supply a large quantity of goods to the GN. Most tenders for goods are publicly advertised.

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
2010/11



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

Type	2010/11		2009/10		2008/09	
Air Charter (AC)	$1,083	4%	$1,928	8%	$1,817	11%
Architectural/Engineering (AE)	641	3	343	1	656	4
Consulting services (CS)	1,803	7	2,468	11	2,108	12
Minor Construction or Maintenance Services (MC)	2,145	9	2,500	11	1,886	11
Service Contracts (SC)	18,816	77	15,770	69	10,693	62
Total	$24,488	100%	$23,009	100%	$17,160	100%

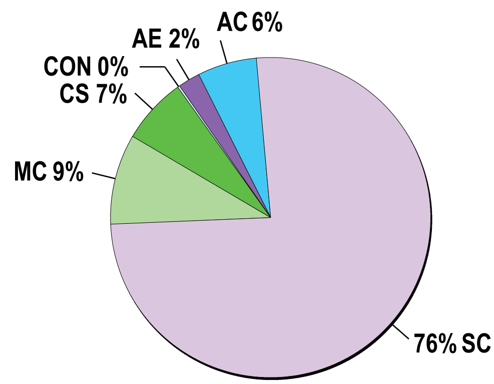
The table above shows that Air Charters have decreased in value by 78% from 2009/10 to 2010/11. The figures for 2008/09 and 2009/10 are more consistent with 2006/07 and represent what may be normal operating levels.

The year 2007/08 saw a large jump in service contracts from 2006/07 (83%), this high level continues to grow. From 2008/09 to 2009/10 the value of Service Contracts has increased by 47%. From 2009/10 to 2010/11 service contracts increased by 19% over the three years covered by this report, the value of service contracts has increased by 43%.

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
2010/11



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

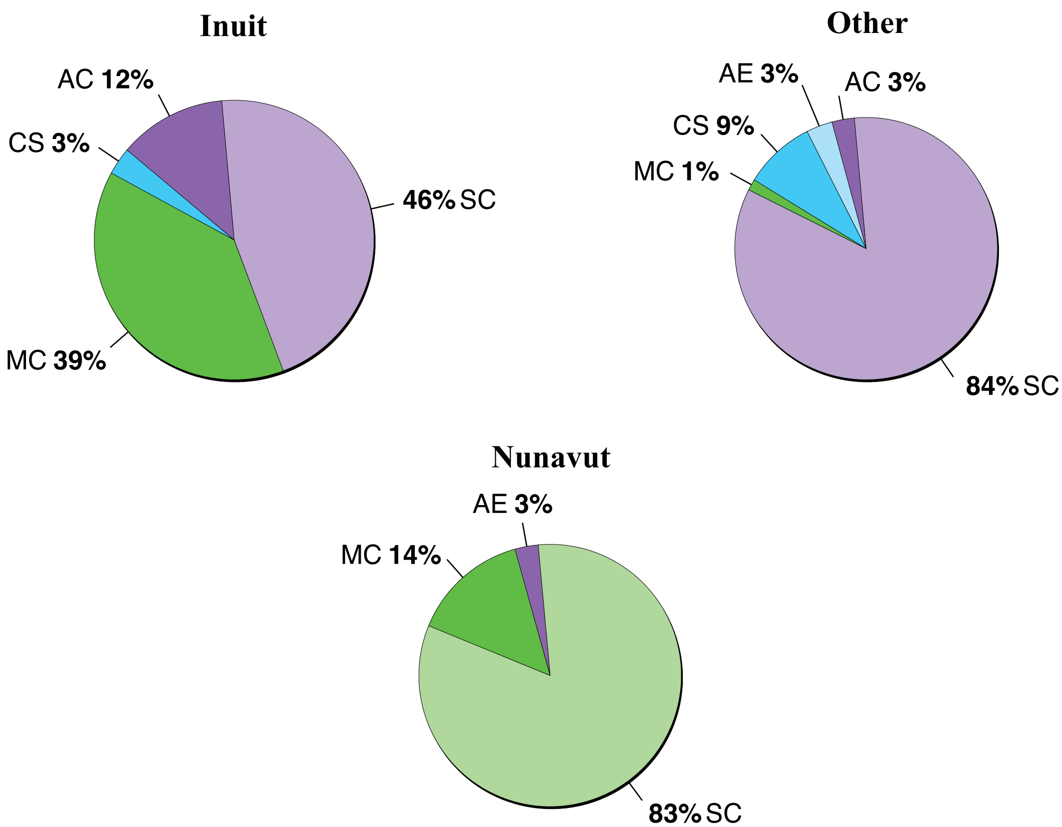
Type	2010/11		2009/10		2008/09	
Air Charter (AC)	27	6%	41	10%	42	13%
Architectural/Engineering (AE)	10	2	7	2	10	3
Construction (CON)	1	-	-	-	2	1
Consulting services (CS)	30	7	39	9	40	12
Minor Construction or Maintenance Services (MC)	41	9	43	10	36	11
Service Contracts (SC)	340	76	291	69	200	61
Total	449	100%	421	100%	330	100%

Service Contracts represent 76% of the volume of contracts in this category. The volume of Service Contracts has been growing consistently over the last three years.

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
2010/11



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 any contracts for Architectural and Engineering in this dollar threshold. This is consistent for the last 4 years.

Inuit and Nunavut firms won 88% of the value of Minor Construction and Maintenance Services contracts in 2010/11. In 2009/10 they won 89%. This does not represents a large increase in the proportionate share.

Of the value of contracts awarded to Other in 2009/10 and 2010/11; the majority are Architectural/Engineering, general Service Contracts and Consulting Services .

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

2009/10
(Thousands)

Type	Awarded	Inuit		Nunavut		Other	
Air Charter (AC)	$1,928	$807	42%	$120	6%	$1,001	52%
Architectural/Engineering (AE)	343	-	-	-	-	343	100
Consulting services (CS)	2,468	226	9	158	6	2,084	84
Minor Construction or Maintenance Services (MC)	2,499	1,614	65	611	24	274	11
Service Contracts (SC)	15,771	955	6	1,626	10	13,190	84
Total	$23,009	$3,602	16%	$2,515	11%	$16,892	73%

2008/09
(Thousands)

Type	Awarded	Inuit	Nunavut	Other
Air Charter (AC)	$1,817	$1,164	$41	$612
Architectural/Engineering (AE)	656	-	-	656
Consulting services (CS)	2,108	-	345	1,763
Minor Construction or Maintenance Services (MC)	1,887	751	601	535
Service Contracts (SC)	10,692	1,730	391	8,571
Total	$17,160	$3,645	$1,378	$12,137

The three 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 2009/10 contracts >$25,000 to <=$100,000, excluding goods

For contracts in this range, 18% of the total value was awarded to Inuit firms and 5% was awarded to Nunavut Businesses. The remaining 77% 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

Compared to 2009/10, the value of contracts to Inuit firms increased by 2%, Nunavut firms decreased by 6% and Other firms increased by 4%, as a proportionate share.

Contract Types where Inuit firms saw a significant increase in value from 2009/10 to 2010/11 are Service Contracts and Minor Construction Services. Air Charter contracts decreased in 2009/10 and again 2010/11. This decrease was the second time in 5 years.

For Service Contracts, there was a 19% increase in award value. Inuit firms won 11% of the Service Contract dollar value in 2010/11 compared to 6% in 2009/10.

- Minor Construction or Maintenance Services from 65% to 80%
- Air Charters from 42% to 51%
- Consulting Services from 9% to 8%.

Overall, the value of the awards to Inuit firms went from 16% in 2009/10 to 18% in 2010/11.

Nunavut Firms

The proportionate share of the value of contracts to Nunavut Businesses went from 11% in 2009/10 to 5% in 2010/11 a decrease of 6%. The most significant differences were a 16% decrease in Minor Works and a 5% decrease in Service Contracts. Nunavut businesses that also have Inuit Firm Status are includes in Inuit.

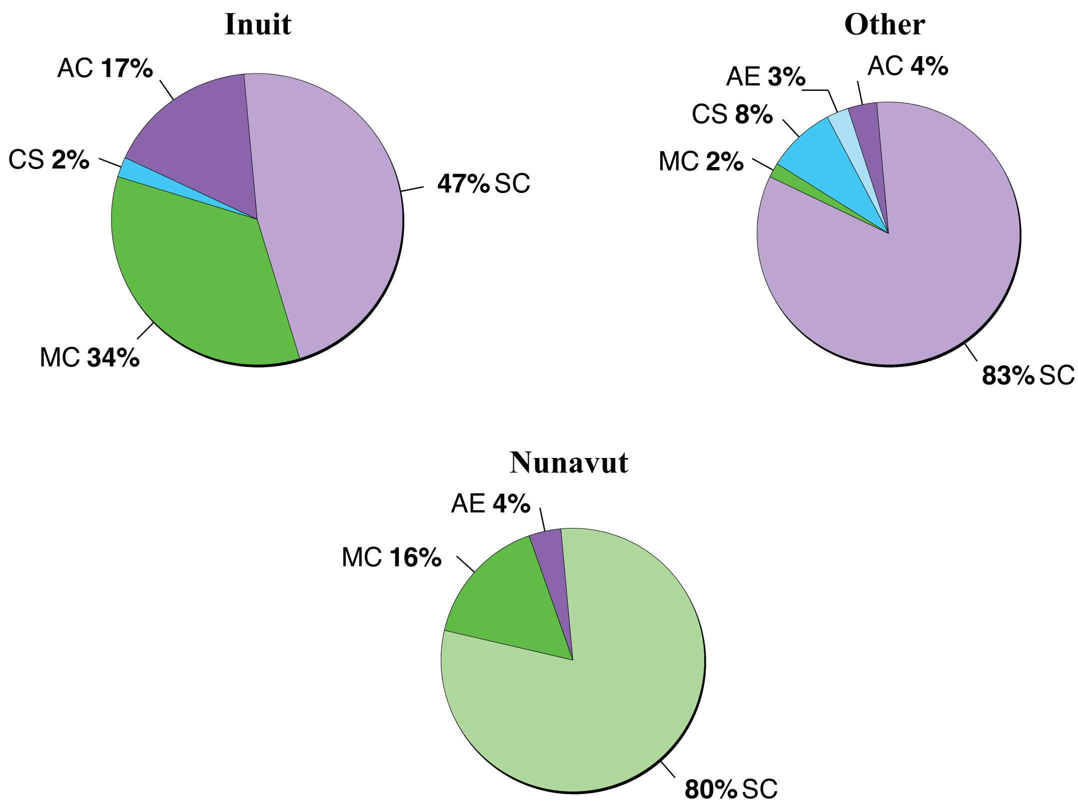
Other

Overall, the proportionate share of the value of contracts to Other firms increased by 4%. Contract dollars to Other increased in the categories of Consulting Services. Over the last 2 years the proportionate value of Service Contracts to Other has remained constant (neither increased or decreased).

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
2010/11



Distribution of Contracts By Status Category – Based on Volume
For Contracts > $25,000 and <= $100,000 - Excluding Goods
2010/11

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%

2009/10

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	41	10%	18	44%	3	7%	20	49%
Architectural/Engineering (AE)	7	2	-	-	-	-	7	100
Consulting services (CS)	39	9	3	8	3	8	33	85
Minor Construction or Maintenance Services (MC)	43	10	27	63	10	23	6	14
Service Contracts (SC)	291	69	22	8	34	12	235	81
Total	421	100%	70	17%	50	12%	301	71%

2008/09

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	42	13%	29	69%	1	2%	12	29%
Architectural/Engineering (AE)	10	3	-	-	-	-	10	100
Consulting services (CS)	40	12	-	-	6	15	34	85
Minor Construction or Maintenance Services (MC)	36	11	12	33	13	36	11	31
Service Contracts (SC)	200	61	36	18	9	5	155	78
Total	328	100%	77	23%	29	9%	222	68%

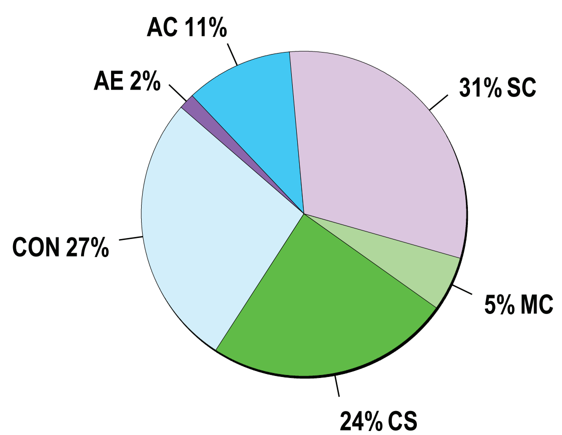
The previous pie charts show the percentage of contracts awarded by type amongst the status categories.

The proportionate share of contracts to Inuit firms had been declining over the years 2007/08 to 2009/10, a 14% decrease. However 2010/11 shows an increase of 3%. The proportionate share of contracts to Other firms has been increasing over the past three years, 3% per year.

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
2010/11**



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

Type	2010/11		2009/10		2008/09	
Air Charter (AC)	$23,267	11%	$542	-%	$44,354	20%
Architectural/Engineering (AE)	3,446	2	3,358	2	10,493	5
Construction (CON)	59,451	27	97,799	52	111,494	49
Consulting services (CS)	52,970	24	7,993	4	14,914	7
Minor Construction or Maintenance Services (MC)	11,818	5	7,782	4	5,674	3
Service Contracts (SC)	67,212	31	69,424	37	39,382	17
Total	$218,164	100%	$186,898	100%	$226,311	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.

In 2009/10, 89% of the value of contracts in this value threshold are for Major Works Construction (capital projects) and general Services Contracts. In 2010/11 the contracts are spread-out among more categories.

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

The relatively small value of Architectural/Engineering contracts is indicative of the generally low volume of this type of contracting activity, relative to construction activities and capital planning.

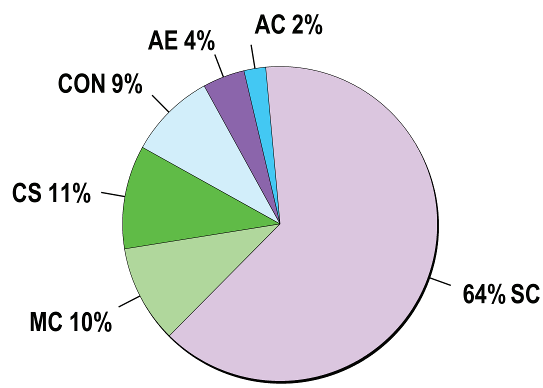
The growth in consulting services accounts for much of the increase for the 2010/11 fiscal year. For the year 2010/11 there were approximately $35 million in consulting services that should have been reported as service contracts.

The Minor Works and Maintenance Contract Type is generally used for contracts not expected to exceed $100,000, however contracts for annual "As and When" Maintenance over a two or three year period will exceed $100,000. In fiscal year 2009/10 cabinet approved awarding Minor Works & Maintenance contracts up to $250,000 therefore in future years we can expect to see an increase in the value and volume of Minor Construction & Maintenance category.

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
2010/11



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

Type	2010/11		2009/10		2008/09	
Air Charter (AC)	8	2%	3	1%	7	3%
Architectural/Engineering (AE)	15	4	11	4	14	6
Construction (CON)	31	9	29	10	31	13
Consulting services (CS)	37	11	33	11	39	16
Minor Construction or Maintenance Services (MC)	35	10	28	10	19	8
Service Contracts (SC)	222	64	188	64	134	55
Total	348	100%	292	100%	244	100%

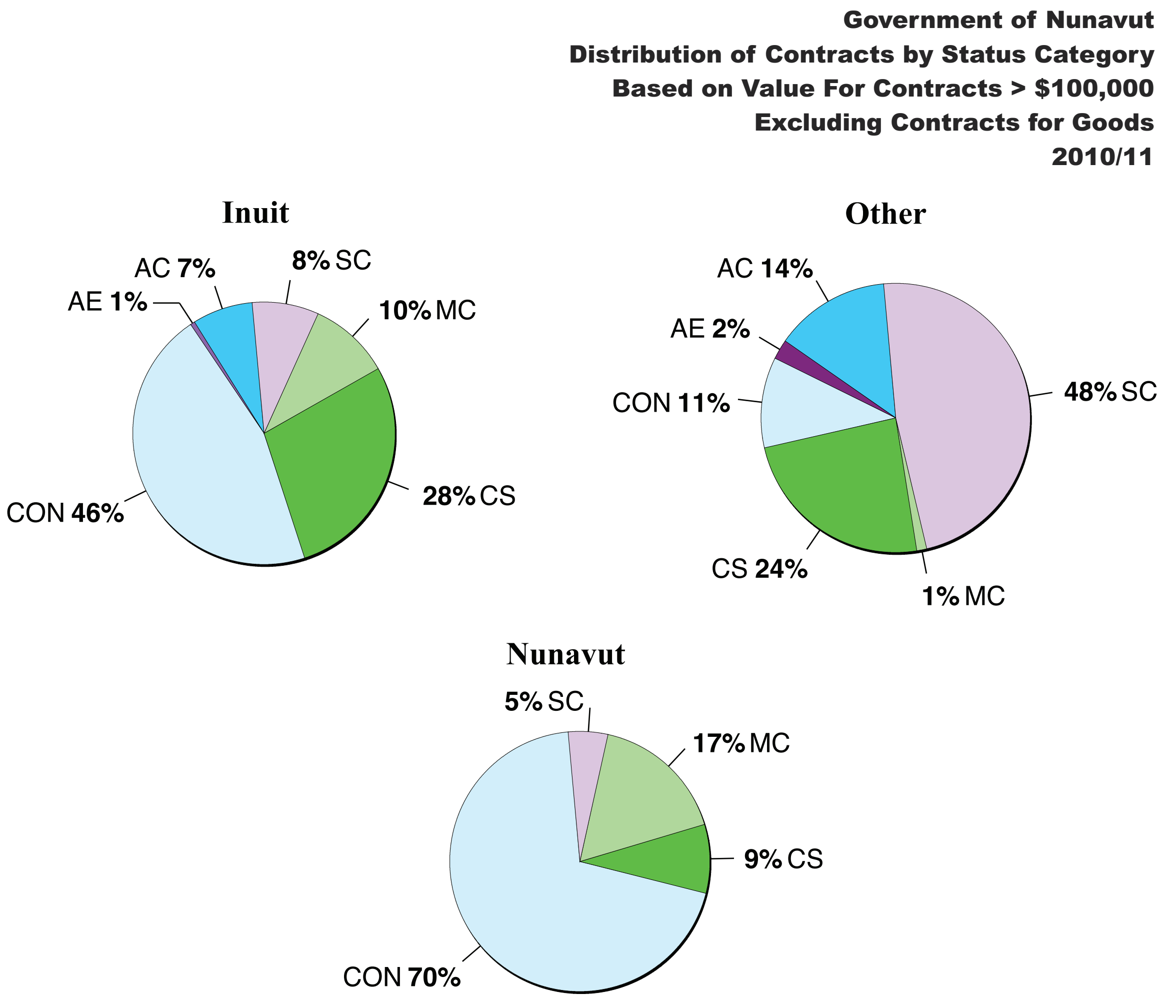
This section looks at the volume of contracts greater than $100,000 excluding Purchase Order contracts.

64% of the volume and 31% 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 three years.

The largest value in this category is for construction. This has been consistent over the last three years.

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.



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
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%

2009/10
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$542	-%	$-	-%	$-	-%	$542	100%
Architectural/Engineering (AE)	3,358	2	-	-	-	-	3,358	100
Construction (CON)	97,799	52	53,285	54	13,046	13	31,468	32
Consulting services (CS)	7,993	4	978	12	1,325	17	5,690	71
Minor Construction or Maintenance Services (MC)	7,782	4	4,323	56	2,945	38	514	7
Service Contracts (SC)	69,424	37	12,217	18	2,569	4	54,638	79
Total	$186,898	100%	$70,803	38%	$19,885	11%	$96,210	51%

2008/09
(Thousands)

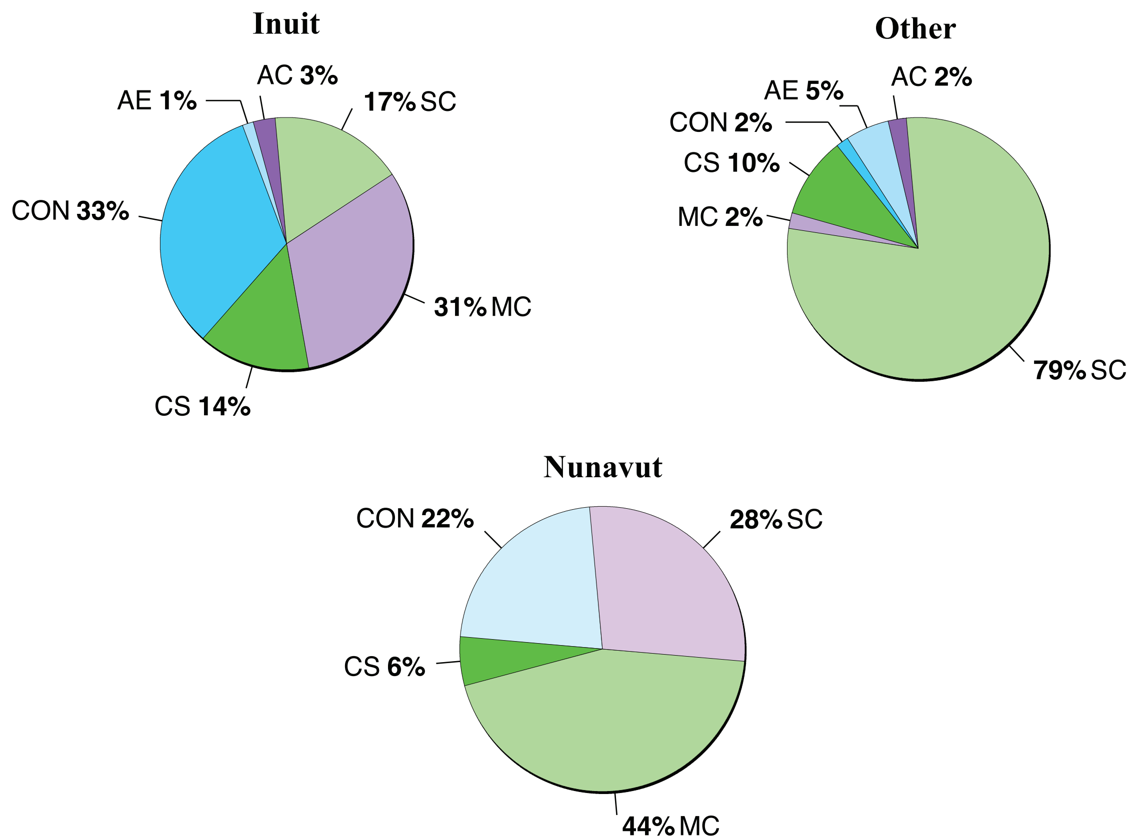
Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$44,354	20%	$217	-%	$1,400	3%	$42,737	96%
Architectural/Engineering (AE)	10,493	5	129	1	472	4	9,892	94
Construction (CON)	111,494	49	80,541	72	6,905	6	24,048	22
Consulting services (CS)	14,914	7	-	-	860	6	14,054	94
Minor Construction or Maintenance Services (MC)	5,675	3	2,410	42	2,831	50	434	8
Service Contracts (SC)	39,382	17	1,548	4	2,743	7	35,091	89
Total	$226,312	100%	$84,845	37%	$15,211	7%	$126,256	56%

For the 2010/11 year, as a percentage of total contracts, the value of contracts to Inuit decreased by 3%. In pure dollar terms however, this represents a 7% increase in the value of contracts to Inuit firms. The value to Nunavut decreased by 4%, or 24% in real dollars. The value to “Other” increased by 7%, a 31% increase in real dollars.

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
2010/11



Out of the 70 contracts awarded to Inuit firms, 33% of them were for Construction Contracts and 31% were for Minor Construction and Maintenance Services. Nunavut Businesses won 18 of 348 contracts (5%).

Service Contracts represent a majority of the contracts in this category. Major and Minor Construction and Consulting follow, but far behind.

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

2009/10

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	3	1%	-	-%	-	-%	3	100%
Architectural/Engineering (AE)	11	4	-	-	-	-	11	100
Construction (CON)	29	10	17	59	7	24	5	17
Consulting services (CS)	33	11	6	18	1	3	26	79
Minor Construction or Maintenance Services (MC)	28	10	19	68	8	29	1	4
Service Contracts (SC)	188	64	13	7	8	4	167	89
Total	292	100%	55	19%	24	8%	213	73%

2008/09

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	7	3%	1	14%	1	14%	5	71%
Architectural/Engineering (AE)	14	6	1	7	1	7	12	86
Construction (CON)	31	13	18	58	5	16	8	26
Consulting services (CS)	39	16	-	-	3	8	36	92
Minor Construction or Maintenance Services (MC)	19	8	7	37	9	47	3	16
Service Contracts (SC)	134	55	4	3	7	5	123	92
Total	244	100%	31	13%	26	11%	187	77%

For the fiscal year 2010/11, as a percentage of total contracts, the volume of contracts to Inuit contractors increased by 1% and the volume to Nunavut firms decreased by 3%. The volume of contracts to Other increased by 2%.

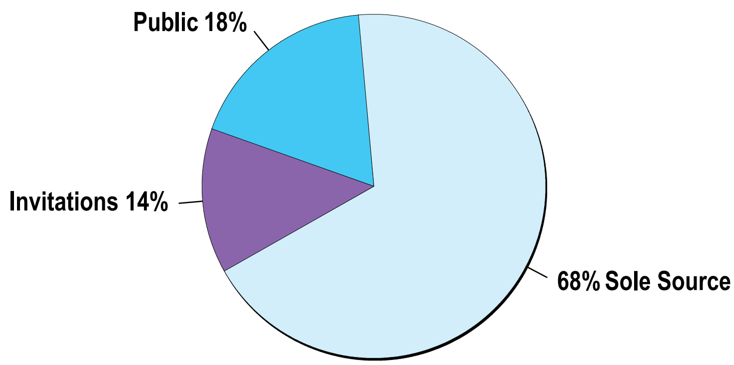
We can see a three year trend for the volume of contracts in this category. Inuit firms win an average 17% of these contracts, Nunavut firms win 8% of these contracts and Other firms win 75% of the volume of these contracts.

Other non-registered businesses won 70% of the Consulting contracts in 2010/11 and 92% of the Services contracts, and 93% of Architectural/Engineering 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
2010/11



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

Year	Awarded	Public		Invitations		Sole Source	
2010/11	$16,039	$2,916	18%	$2,188	14%	$10,935	68%
2009/10	17,116	2,910	22	3,047	18	11,159	60
2008/09	14,013	3,057	22	2,511	18	8,445	60

This section provides an analysis of contracts **($25,000 and greater)**, 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 analysed later on in this section.

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 $5000 but less than $25,000. This also includes Construction under $100,000.

From the chart above we see that the proportionate share of Sole Source contracts has increased by 8% however, in real dollars this represents a 2% decrease.

The Criteria for Sole Sourcing a contract are set out in Section 10 of the Financial Administration Act, 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 (for example software maintenance agreements and other intellectual property, source of electricity, etc.); 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".

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

The CGS Procurement section works with departments to help them plan their procurement strategies. We have of are now completing RFP processes for specialized residential care, dental care and project management services. These 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.

In 2010/11, of a total contract value of $16,039,000 (rounded to the nearest thousand), $5,104,000 resulted from Public or Invitational Requests for Tenders or Proposals (32%) and $10,935,000 resulted from Sole Sources (65%). This is illustrated on the pie chart on page 29. As a percentage, in this dollar value category, this represents a 8% proportionate increase in the value of Sole Source contracts. However in real dollars this represents a 2% decrease.

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. 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 that will be reported next year.

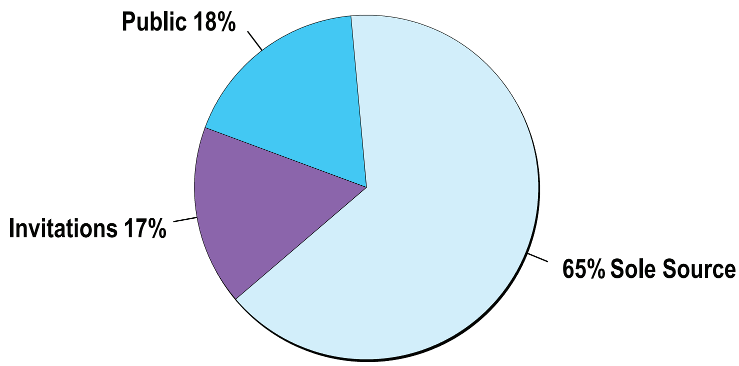
It should be noted that certain functions and responsibilities that are unique to certain departments lead to a higher propensity for this contracting method. Emergency situations with health and safety considerations or search and rescue may produce a need to enter into a contract quickly or limit alternatives 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.

In the past (2008/09 and 2009/10), the two departments which have the highest value and volume of sole source contracts are the Departments of Health and Social Services and Community & Government Services. Each of these departments have responsibilities for providing essential basic services which may impact the prevalence and frequency of this form of contracting method on occasion. (See Procurement Activity Report, Section 4).

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
2010/11



Distribution of Contracts by Contract Method - Based on Volume

Year	Awarded		Public		Invitations		Sole Source	
2010/11	284	33%	51	18%	48	17%	185	65%
2009/10	303	36	47	16	58	19	198	65
2008/09	264	31	59	22	47	18	158	60

In 2007/08, of the 262 contracts in the >$25,000 to <$100,000 value threshold, 115 resulted from Public or Invitational Requests for Tenders or Proposals (44%) and 147 resulted from Sole Sources (56%).

In 2008/09, of the 264 contracts in this range, 106 resulted from Public or Invitational Requests for Tenders or Proposals (40%) and 158 resulted from Sole Sources (60%). This indicates a 4% relative increase in volume of Sole Source contracts in this range from 2007/08.

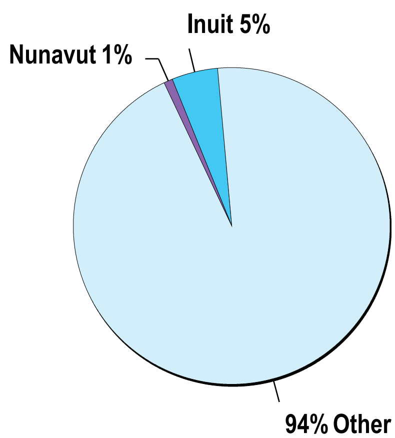
In 2009/10 of the 303 contracts in this range, 105 resulted from Public or Invitational Requests for Tenders or Proposals (35%). The remaining 65% are from Sole Source contracts. Overall, the total volume of Sole Source contracts was down for the year 2009/10 and has been decreasing over the last three years; however, in the range >$25,000 to <=$100,000, the volume of Sole Source contracts had been continuously rising over the last three years. The rate of increase in volume of Sole Source contracts significantly surpasses the rate of growth in contracts in this value range.

For the fiscal year 2010/11, the volume of Sole Source contracts has decreased by 7% in this value range. However, the proportionate share of Sole Source contracts has not increased from 2009/10 (65%).

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
2010/11



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

Year	Awarded	Public		Invitations		Sole Source	
2010/11	$10,936	$517	5%	$ 98	1%	$10,321	94%
2009/10	11,159	478	4	468	4	10,213	92
2008/09	8,445	861	10	138	2	7,446	88

In 2008/09, out of the $8,445,000 in Sole Source awards (60% of contracts in the >$25,000 and $100,000 dollar threshold category), $861,000 was sole sourced to Inuit firms (6% of contract dollars in the >$25,000 and $100,000 dollar threshold category). $138,000 were Sole Sourced to Nunavut firms (1% of contract dollars in the >$25,000 and $100,000 dollar threshold category and 2% of the value of Sole Sources).

The remaining $7,446,000 value of sole sources were awarded to Other (non-registered individuals, organizations and businesses). This represents 88% of contract dollars sole sourced in the >$25,000 to <=$100,000 dollar threshold category and 53% of the value of contracts in this category.

This is illustrated on the pie chart above (60% of the value of contract awards in the >$25,000 and <=$100,000 threshold).

In 2009/10, only 8% of the contract value sole sourced were awarded to Inuit/Nunavut firms. 92% was awarded to Other.

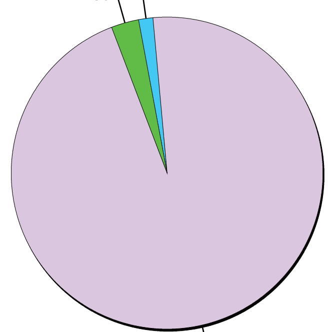
In 2010/11, only 6% of the contract value sole sourced were awarded to Inuit/Nunavut firms. 94% was awarded to Other.

The three year trend indicates that Inuit/Nunavut firms are awarded a decreasing proportionate share of the sole source contract dollars.

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
2010/11



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

Sole Source - Other Businesses	2010/11		2009/10		2008/09	
Air Charter (AC)	$ 159	2%	$ 190	2%	$ 95	1%
Architectural/Engineering (AE)	-	-	40	-	422	6
Construction (CON)	-	-	-	-	-	-
Consulting services (CS)	296	3	668	7	914	12
Minor Construction or Maintenance Services (MC)	-	-	80	1	60	1
Service Contracts (SC)	9,866	96	9,235	90	5,955	80
Total	$10,321	101%	$10,213	100%	$7,446	100%

In 2010/11, of a total value of $16,039,000 contracts in the >$125,000 and <$100,000 dollar threshold category $10,935 was the result of sole source awards (68%). This is illustrated on the first pie chart of this section. 96% of the sole sources are for service contracts.

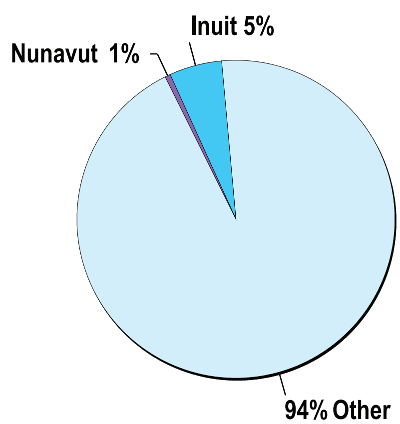
In 2009/10, of a total value of $17,116,000 (rounded to the nearest thousand) contracts in the >$25,000 and < $100,000 dollar threshold category, $11,159,000 was the result of Sole Source awards (65%). The value of sole sources awarded to Other had increased by 37% from 2008/09. Of the $10,213,000 Sole Sourced to Other (60% of Sole Sources >$25,000 and <= $100,000); 97% are for Consulting Services and Service Contracts.

In 2010/11, the real dollar value of sole source awards to Other increased again, but only by 1%. In terms of proportionate share sole sources to Other increased by 2% from the previous year. The increase from 2008/09 to 2009/10 represents a 37% increase in real dollars.

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
2010/11



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

Year	Awarded	Inuit		Nunavut		Other	
2010/11	185	10	5%	1	1%	174	94%
2009/10	198	9	5	7	4	182	92
2008/09	158	15	9	3	2	140	89

In 2010/11, of the total volume of 284 contracts in the >$25,000 to <=$100,000 dollar threshold category, 185 were the result of Sole Source awards (65%). This represents only 10% of all contracts awarded in 2010/11. This is a decrease of 1% from 2009/10.

In 2010/11, out of the 185 Sole Source awards, 174 contracts (94%) went to Other businesses (those not registered as Inuit or Nunavut firms). This is illustrated in the table above.

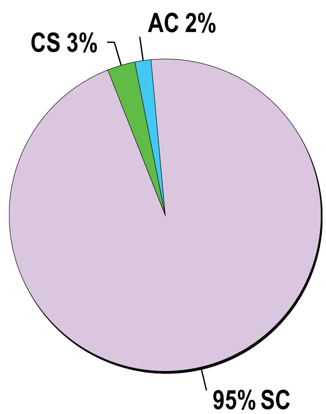
From the table above, a 3 year trend shows an increasing volume of Sole Source contracts in this category are being awarded to Other companies. The volume increase to Other has grown by 24% from 2008/09 to 2010/11.

This is the first 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
2010/11**



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

Sole Source - Other Businesses	2010/11		2009/10		2008/09	
Air Charter (AC)	3	2%	3	1%	1	1%
Architectural/Engineering (AE)	-	-	1	1	6	4
Construction (CON)	-	-	-	-	-	-
Consulting services (CS)	5	3	13	7	18	13
Minor Construction or Maintenance Services (MC)	-	-	1	1	1	1
Service Contracts (SC)	166	95	164	90	114	81
Total	174	100%	182	100%	140	100%

In 2010/11, 98% 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 the the table above. In 2007/08 and 2008/09, the combined percentage was 94%, and in 2006/07 it was 95%. In 2009/10 it was 97%.

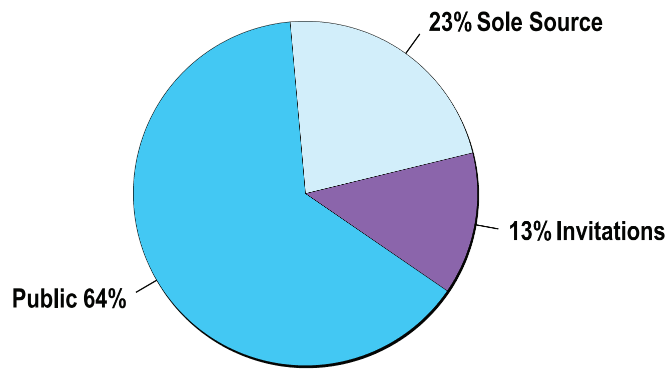
Clearly the five year trend indicates that on average, 96% of Sole Source contracts in this category are for Consulting Services and Service Contracts.

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

2010/11



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

Year	Awarded	Public		Invitations		Sole Source	
2010/11	$170,354	$109,095	64%	$22,763	13%	$38,496	23%
2009/10	166,413	126,696	76	1,261	1	38,456	23
2008/09	180,988	132,234	73	3,251	2	45,503	25

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 2008/09, of the total contract value of $180,988,000, $135,485,000 was a result of Public or Invitational Requests for Tenders or Proposals (75%) and $45,503,000 or 25% resulted from Sole Sources. The Sole Source percentage went down by 10% for 2008/09 compared to 2007/08.

In 2009/10, of the total value $166,413,000, contracts from Public or Invitational Request for Tenders or Proposals totaled $127,957,000 or 77%. Sole Source contracts valued $38,456,000 or 23%. The Sole Source proportionate value in comparison with 2008/09, went down by 2%, however the actual dollar value went down by 15%.

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%).

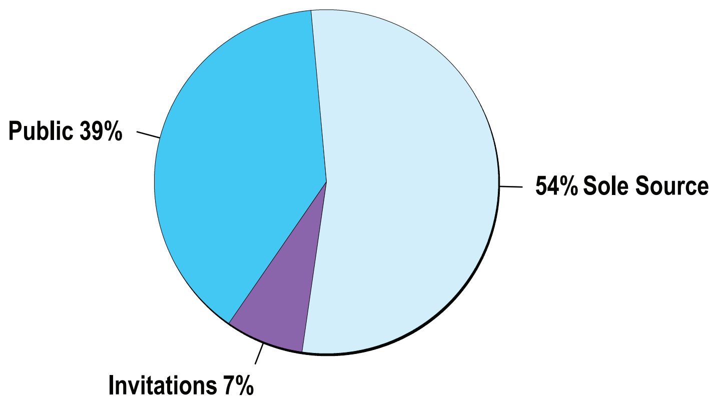
From 2008/09 to 2010/11, the actual value of all contracts in this range has decreased by 15% and the proportionate share of sole sources compared to all contracts has remained the same.

For the last three years of this report, the percentage of sole sources in this value threshold category, has remained consistent at 23-25%.

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
2010/11



Distribution of Contracts by Contract Method - Based on Volume

Year	Awarded	Public		Invitations		Sole Source	
2010/11	246	96	39%	18	7%	132	54%
2009/10	229	92	40	9	4	128	56
2008/09	219	72	33	9	4	138	63

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.

These statistics have been relatively consistent over the last 5 years, although sole sources are down 9% from 2007/08 and Invitations are up 3% from 2008/09. Public competitions are up 6% from 2008/09.

In 2009/10, of the 229 contracts awarded in the >$100,000 value threshold, 101 or 44% were the result of a competitive procurement process and 128 or 56% resulted from non-competitive Sole Sourcing. The average proportionate share of the number of Sole Sourced contracts has decreased by 7%.

In 2008/09, of the 219 contracts awarded in the >$100,000 value threshold awarded, 81or 37% resulted from Tenders or Proposals and 138 or 63% resulted from non competitive Sole Sourcing. The average proportionate share of the number of Sole Sourced contracts is 59% over the last four years.

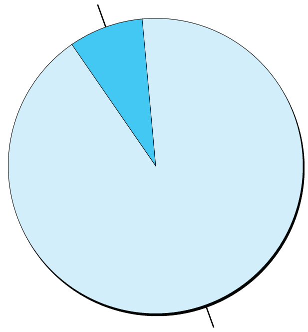
In 2007/08, of the 213 contracts awarded in the >$100,000 value threshold, 79 resulted from Public of Invitational Requests for Tenders or Proposals (37%) and 134 resulted from Sole Sources (63%). Compared to 2007/08, the proportionate share of contracts awarded by sole sourcing has decreased by 9%.

In 2006/07, of the 162 contracts in the >$100,000 value threshold awarded, 65 resulted from Public or Invitational Requests for Tenders or Proposals (40%) and 97 resulted from Sole Sources (60%). It is worthwhile to note that while the number of contracts in this value threshold category has increased by 32% overall, the rate of growth of contract volume exceeds the growth of sole sources.

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
2010/11



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

Year	Awarded	Inuit		Nunavut		Other	
2010/11	$38,496	$3,168	8%	$-	-%	$35,328	92%
2009/10	38,456	2,831	7	1,567	4	34,058	89
2008/09	45,502	3,695	8	1,889	4	39,918	88

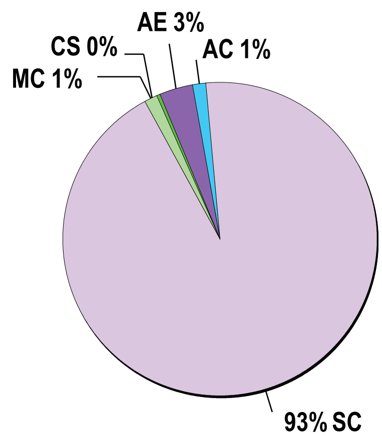
The pie-chart and corresponding table above shows that Sole Sourced contracts of value over $100,000 are largely awarded to Other (Non-Inuit and Non-Nunavut contractors, 92%). This has been consistent over the four years of this report.

It is worthwhile to 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
2010/11



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

Sole Source - Other Businesses	2010/11		2009/10		2008/09	
Air Charter (AC)	$ 500	1%	$ -	-%	$ 1,800	5%
Architectural/Engineering (AE)	1,209	3	-	-	486	1
Construction (CON)	-	-	-	-	475	1
Consulting services (CS)	125	-	893	3	8,926	22
Minor Construction or Maintenance Services (MC)	472	1	-	-	111	-
Service Contracts (SC)	33,022	93	33,165	97	28,120	70
Total	$35,328	98%	$34,058	100%	$ 9,918	99%

In 2010/11, of a total value of $170,354,000 (rounded to the nearest thousand) in the >$100,000 dollar threshold category, $38,496,000 was the result of Sole Source awards to companies in the Other category (23%).

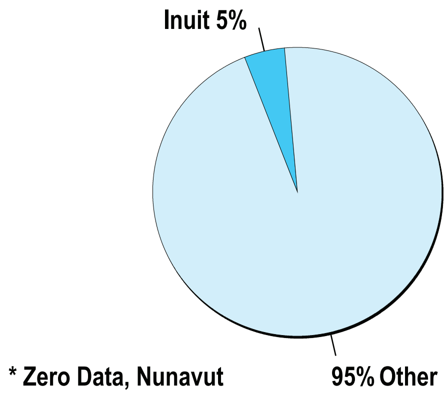
93% of the dollar value of Sole Source awards to Other (non-registered) were for Service Contracts. The dollar values and corresponding percents of Sole Source Contracts to Other by Contract Type are shown in the table above.

The overwhelming majority (70-97%) of Sole Source contracts in this category are 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
2010/11



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

Year	Awarded	Inuit		Nunavut		Other	
2010/11	132	6	5%	-	-%	126	95%
2009/10	128	6	5	4	3	118	92
2008/09	138	6	4	4	3	128	93

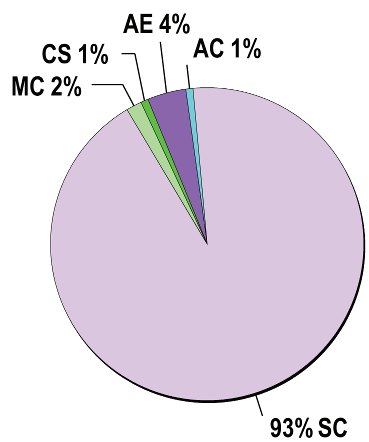
In 2010/11, of the total volume of 246 contracts in the >$100,000 dollar threshold category, 132 were the result of Sole Source awards (54%). This represents a proportionate decrease of 2% from 2009/10 and 9% from 2008/09.

Out of the 132 Sole Source awards, 126 contracts (95%) went to Other businesses (those not registered as Inuit or Nunavut firms). The average (93%) proportionate share remains largely unchanged over the last four 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
2010/11



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

Sole Source - Other Businesses	2010/11		2009/10		2008/09	
Air Charter (AC)	1	1%	-	-%	2	2%
Architectural/Engineering (AE)	5	4	-	-	1	1
Construction (CON)	-	-	-	-	1	1
Consulting services (CS)	1	1	5	4	7	6
Minor Construction or Maintenance Services (MC)	2	2	-	-	-	-
Service Contracts (SC)	117	93	113	96	114	91
Total	126	101%	118	100%	125	101%

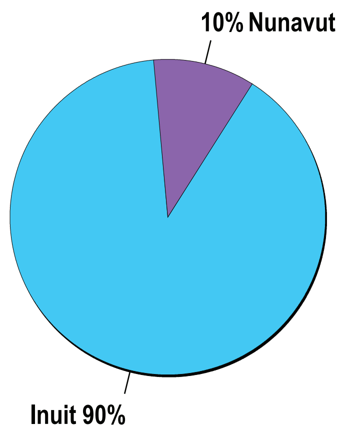
In 2010/11, 93% of the volume of sole source awards to Other (non-registered) was for service contracts.

In 2008/09 91% of the volume of Sole Source awards to Other (non-registered) was for Service Contracts and 96% in 2009/10. The contracts Sole Sourced to Other contractors are primarily Service Contracts. This has been the trend for the last 3 years.

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
2010/11



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

Type	2010/11		2009/10		2008/09	
Inuit	$3,087	90%	$2,554	65%	$2,997	77%
Nunavut	358	10	1,359	35	876	23
Total	$3,445	100%	$3,913	100%	$3,873	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 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 tend, 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 and who are eligible for the full 21% of bid adjustments permitted under the NNI Policy.

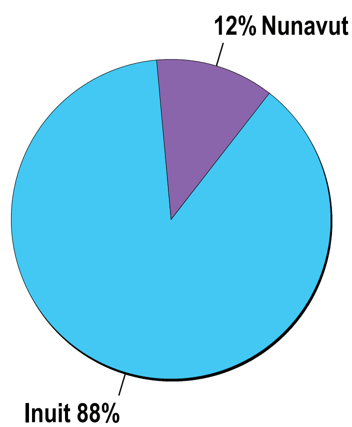
In 2009/10, of the $23,009,000 of contracts in the >$25,000 to <=$100,000 dollar value threshold, excluding purchase orders, a total value of $3,913,000 was awarded to Local Inuit and Nunavut businesses (17%). Of this $3,913,000 value, $2,554,000 was awarded to Local Inuit firms (65%) and $1,359,000 awarded to Local Nunavut firms or 35%.

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
2010/11



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

Type	2010/11		2009/10		2008/09	
Inuit	59	88%	51	66%	64	77%
Nunavut	8	12	26	34	19	23
Total	67	100%	77	100%	83	100%

In 2010/11, of the 448 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%).

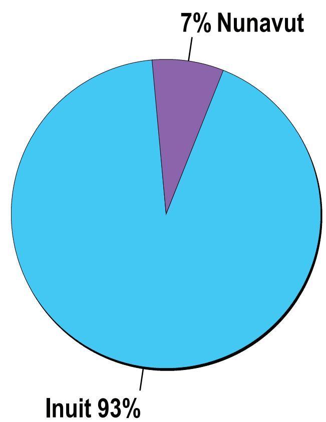
In 2009/10, of the 421 contracts excluding Purchase Orders in this value threshold, 77 were awarded to Local Inuit and Nunavut businesses (18%). Of the 77 contracts, 51 were awarded to Local Inuit firms (66%) and 26 were awarded to Local Nunavut firms (34%).

A 4 year trend analysis shows a general decline in the number of contracts awarded to Local Inuit and Nunavut companies in this category. In 2007/08 Inuit and Nunavut Firms won 28% of contracts and in 2010/11 they won only 26%.

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
2010/11



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

Type	2010/11		2009/10		2008/09	
Inuit	$32,118	93%	$35,589	73%	$21,688	79%
Nunavut	2,578	7	13,447	27	5,794	21
Total	$34,696	100%	$49,036	100%	$27,482	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 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 was awarded to Nunavut firms.

In 2009/10, of the $186,898,000 of contracts in this category $49,036,000 was awarded to Local Inuit or Nunavut firms (26%). Of the $49,036,000 73% or $35,589,000 was awarded to Local Inuit firms and 27% or $13,447,000 was awarded to Nunavut firms.

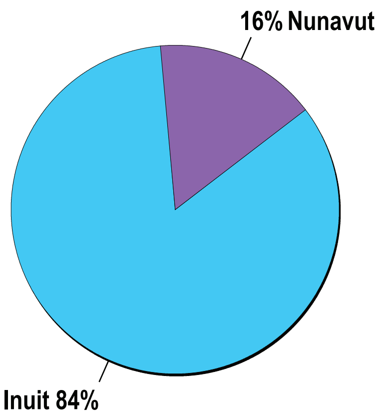
In 2008/09, of the $226,311,000 (rounded to the nearest thousand) of contracts in the >$100,000 dollar value threshold, excluding Purchase Orders, $27,482,000 (rounded to the nearest thousand) was awarded to Local Inuit and Nunavut Businesses (12%). Of the $27,482,000, $21,688,000 was awarded to Local Inuit firms (79%), and $5,794,000 was awarded to Local Nunavut businesses (21%).

A five 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
2010/11



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

Type	2010/11		2009/10		2008/09	
Inuit	42	84%	39	66%	13	62%
Nunavut	8	16	20	34	8	38
Total	50	100%	59	100%	21	100%

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.

In 2009/10, of the 292 awarded contracts in the >$100,000 dollar value threshold, excluding purchase orders, 59 were awarded to Local Inuit and Nunavut businesses (20%). This shows an increase of nearly 200% from 2008/09 and a 20% increase from 2007/08.

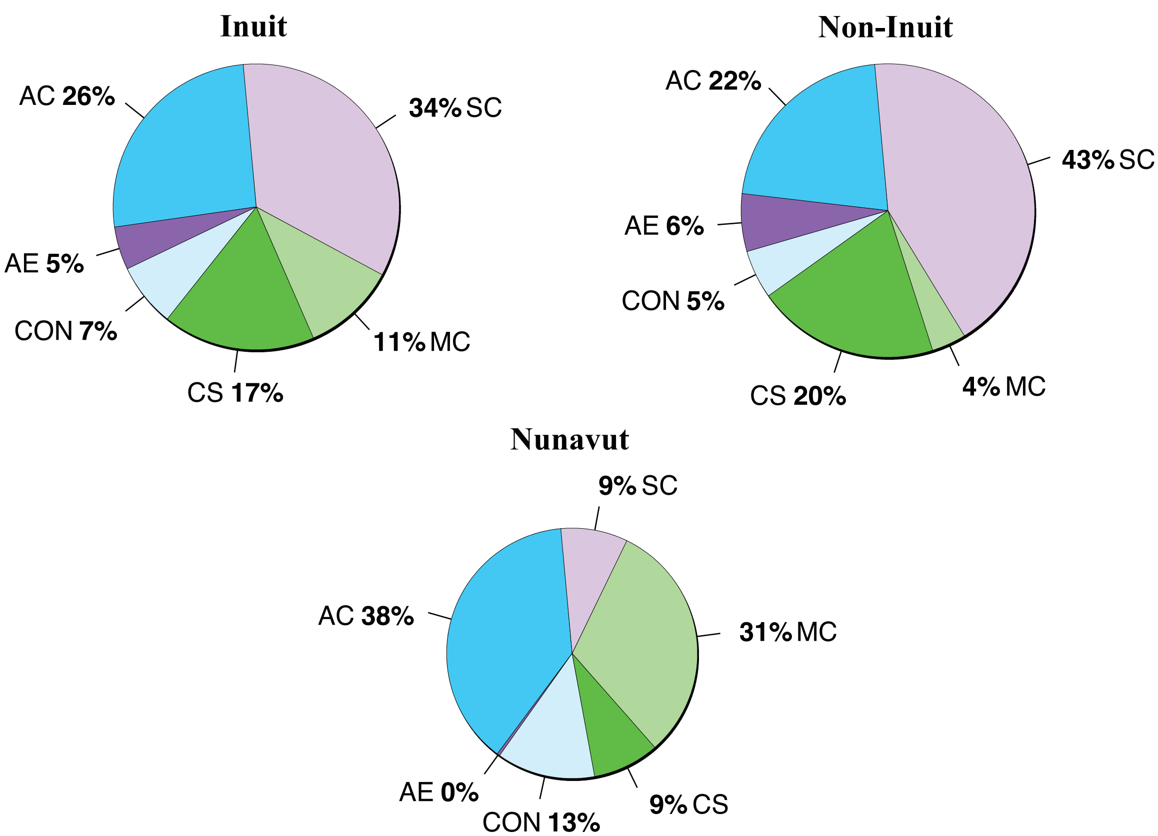
In 2008/09, of the 244 awarded contracts in the >$100,000 dollar value threshold, excluding Purchase Orders, 21 were awarded to Local Inuit and Nunavut Businesses (9%). In 2007/08 the proportionate share was 20%, 2008/09 shows a 11% decrease. Of the 21 contracts, 13 were awarded to Local Inuit firms (62%) and 8 were awarded to Local Nunavut firms (38%).

A four year trend analysis would indicate that Inuit firms are awarded a greater volume of contracts than are 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
2010/11



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

2009/10

Type	Total		Inuit		Non-Inuit	
Air Charter (AC)	258	26%	61	24%	197	76%
Architectural/Engineering (AE)	54	5	1	2	53	98
Construction (CON)	78	8	42	54	36	46
Consulting services (CS)	152	15	24	16	128	84
Minor Construction or Maintenance Services (MC)	139	14	78	56	61	44
Service Contracts (SC)	308	31	35	11	273	89
Total	989	100%	241	24%	748	76%

2008/09

Type	Total		Inuit		Non-Inuit	
Air Charter (AC)	186	27%	28	15%	158	85%
Architectural/Engineering (AE)	54	8	1	2	53	98
Construction (CON)	70	10	32	46	38	54
Consulting services (CS)	91	13	4	4	87	96
Minor Construction or Maintenance Services (MC)	130	19	54	42	76	58
Service Contracts (SC)	156	23	40	26	116	74
Total	687	100%	159	23%	528	77%

The table above indicates that Inuit firms continue to compete, in significant volumes, for contracts for:

- Air Charters
- Construction
- Minor Construction and Maintenance Services

During the fiscal year 2008/09 we saw a 14% increase in the number of submissions from Non-Inuit firms and a further 42% increase in 2009/10. This may in part be due to the downturn in the Canadian economy, as firms broaden their search for business.

Inuit firms are facing an increasing amount of competition from Non-Inuit firms. Inuit firms are able to compete successfully for Air Charter and Construction contracts but not for Consulting Services and Architectural/Engineering contracts.

In 2009/10, the number of submissions from Inuit firms has increased by 52%. The total number of responses from all firms has increased by 44%. This illustrates that Inuit firms are participating in the competitive contracting process at a rate that exceeds the growth in the total number of competitions.

In 2010/11 there has been an increase of 11% in submissions from Inuit firms and 9% increase from Non-Inuit firms. The growth in the number of responses from 2008/09 has been sustained.

A three year trend indicates that approximately 75% of bids received are from Non -Inuit firms and 25% from Inuit firms.

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.

	2010/11			2009/10			2008/09		
	Avg% Required	Avg% Bid	Avg% Achieved	Avg% Required	Avg% Bid	Avg% Achieved	Avg% Required	Avg% Bid	Avg% Achieved
Accross Nunavut	46%	60%	62%	39%	64%	60%	29%	59%	68%
Baffin	25	38	42	25	50	36	26	51	68
Kitikmeot	33	42	44	35	45	35	11	31	44
Kivalliq	55	69	71	46	68	66	42	74	71

The values provided for Minor Construction Contracts across Nunavut over the last two 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 2008/09 to 2009/10 decreased by 8%, however, the Average Percent of Inuit Labour Required has increased by 10%. The average achieved in Inuit Labour rates decreased for all 3 regions. In 2009/10 compared to 2008/09, however in 2010/11 all 3 regions saw increases in Inuit Labour Achievements.

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.

	2010/11			2009/10			2008/09		
	Avg% Required	Avg% Bid	Avg% Achieved	Avg% Required	Avg% Bid	Avg% Achieved	Avg% Required	Avg% Bid	Avg% Achieved
Accross Nunavut	31%	35%	36%	29%	29%	29%	33%	37%	39%
Baffin	30	33	30	31	32	28	36	39	48
Kitikmeot	30	30	36	30	30	29	21	27	25
Kivalliq	34	41	54	28	25	50	32	35	24

The Kivalliq region exceeded the required rate in 2009/10. The Baffin and Kitikmeot regions did not achieve the required rate.

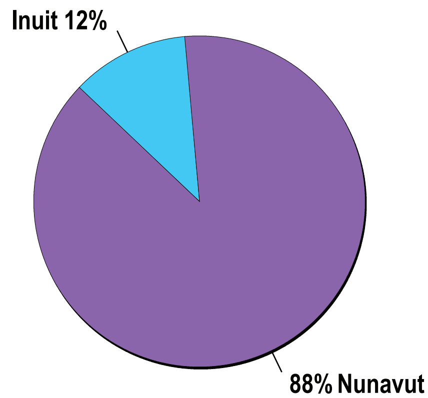
For Major Works the average required rate has fluctuating over the last three years. The average percentage achieved in Nunavut has also been fluctuating.

The Inuit Labour tables for 2009/10 for Minor and Major Works indicate that maximum bonuses could be paid out for Minor Works contracts across Nunavut; and smaller bonuses could be paid out on Major Works contracts across Nunavut. By region, for Minor Works, the Kivalliq region is achieving the highest levels, followed by the Baffin and the Kitikmeot. For Major Works, the Kivalliq region appears to be faring the best, exceeding the minimum requirement by 20%.

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
2010/11



Distribution of NNI Awarded Contracts - Based on Value (Thousands)

Contract Excluding Goods & Sole Source	2010/11		2009/10		2008/09	
Inuit	$1,061	12%	$27,375	100%	$57,487	100%
Nunavut	8,154	88	38	-	-	-
Total	$9,215	100%	$27,413	100%	$57,487	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.

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.

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).

Cost of Applying the NNI Policy

This report primarily analyses contracts excluding Goods. If Good (Purchase Orders) contracts are included, the volumes and values are as follows:

Fiscal Year	No. of Contracts	Cost of the NNI Policy	Total Award Value
2010/11	57	$166,107.54	$11,028,314
2009/10	59	$2,055,354	$23,976,383
2008/09	27	$312,421	$4,268,549

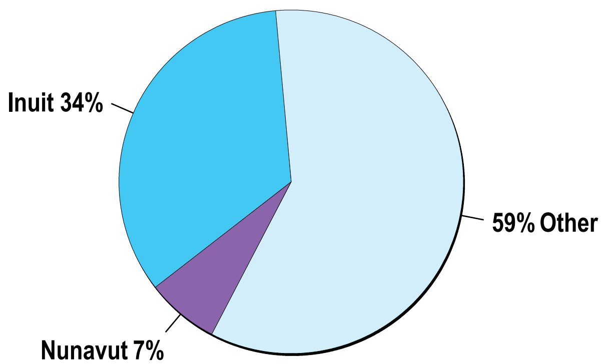
The table above indicates that in the fiscal year 2009/10, there were 59 contracts that were effected by the NNI Policy. This means that 59 contracts would have been awarded to different contractors if not for the NNI Policy. The additional cost of the policy to the GN in 2009/10 was $2,055,354. The 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 after bid adjustments and other NNI policy outcomes are applied. (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 three years of the above analyses, the contracts are overwhelmingly (83-96%) Purchase Orders - Goods.

8. Comparison to Prior Year

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
2010/11**



	2010/11		2009/10	
Inuit	$ 92,566	34%	$ 85,895	36%
Nunavut	18,553	7	23,825	10
Other	160,013	59	127,252	54
Total	$271,132	100%	$236,972	100%

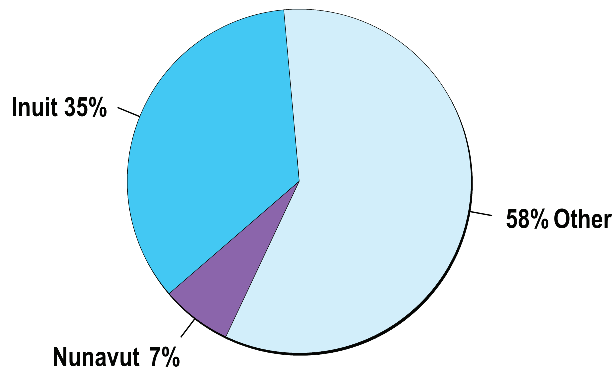
The value of all contracts increased by 14% for the year 2010/11.

- The value of contracts to Inuit increased by 7.7%;
- The value of contracts to Nunavut decreased by 22%; and
- The value of contracts to Other increased by 26%.

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 Inuit Firms registry are updated on a daily basis, and contractor status is reported on the date of contracts award. For this reason, awards to Inuit and Nunavut fluctuate 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
2010/11**



	2010/11		2009/10	
Inuit	637	35%	584	33%
Nunavut	121	7	177	10
Other	1,064	58	1,022	57
Total	1,822	100%	1,783	100%

The overall volume of contracts increased by 2.2% in 2010/11.

- The volume of contracts to Inuit as a percentage of the total increased by 2%; but in total increased by 9%.
- The volume of contracts to Nunavut as a percentage of the total remained decreased by 3%; but in total decreased by 32%.
- The volume of contracts to Other as a percentage of the total increased by 1% however in total increased 4%.

In general, as the volume of contracts grew from 2008/09 to 2009/10, the ratio of contracts to 'Nunavut' firms grew at a slightly faster rate, Inuit firm decreased slightly and Other grew significantly.

A three year trend analysis indicates 35% of contracts go to Inuit firms, 10% to Nunavut firms and 55% to Other firms.

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