GOVERNMENT OF NUNAVUT

Contract Activity Report

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Nunalingni Kavamatkunnilu Pivikhaqautikkut

Department of Community and Government Services

Ministère des Services communautaires et gouvernementaux

Fiscal Year 2014/15

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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 2014/15.

- Statistically we now have ten (10) years of data that is comparable in that we have gathered the same data.
- The total value of contracts awarded by the GN decreased by 18% from 2013/14 to 2014/15. The ratio of contracts awarded to Nunavut firms decreased from 10% to 4% of the total value and contracts awarded to Inuit firms decreased by 8%. Contracts to Other firms increased by 14%.
- The value of contracts to Inuit Firms decreased by 34%, the value to Nunavut firms decreased by 68% and the value to Other firms incresaed by 5%.
- The number of contracts awarded is up by 4.9% from 2013/14 to 2014/15.
- It should be noted that many companies have both Inuit Firm status and Nunavut Business status. For the purposes of this report, companies with this shared status are classified as Inuit.
- The number of contracts awarded to Inuit Firms increased by 1%, and the number of contracts to Nunavut Businesses increased by 12% while the total number of contracts awarded to other increased by 6.4%.
- As the volume of contracts has increased by 4.9%, it is interesting to note that, the volume of contracts awarded to Other firms has grown by 6.4% in comparison. The volume to combined Inuit and Nunavut increased by 1.8%.
- Over the last eight years, the volume of contracts awarded to Other firms continues to increase. Over the last eight years, since 2007/08, the volume of contracts has increased by 39% while the volume awarded to "Other" has increased by 72%. The volume to Inuit has increased by 6% and Nunavut has decreased by 42%.
- Over the seven years, since 2007/08, the value of contracts has increased by 49% while the value awarded to "Other" has increased by 57%. The value awarded to "Inuit Firms" has increased by 56%. Inuit owned Construction firms in Nunavut have grown to a strong industry winning consistantly over 60% of Construction contracts. The growth and strength of Inuit owned Construction companies fuels the strong growth in the value of contracts awarded to Inuit owned firms.
- A seven year trend analysis (from 2007/08 to 2013/14) shows Inuit and Nunavut firms combined win an average of 40% of volume and 46% of the value of all contract dollars and Other wins 60% of volume and 54% of value. However the 2014/15 figures show a break in the trend. In 2014/15, Inuit and Nunavut firms combined have won only 31% of the volume and 36% of the value of contract dollars and Other wins 68% of volume and 64% of value.
- The majority of the value and volume of contracts in the categories of Architectural and Engineering, Consulting Services and Service Contracts are awarded to Other (non-Inuit or Nunavut) firms. Inuit and Nunavut firms are more successful at winning contracts for Major and Minor Construction, Air Charters and Purchase Orders.
- Inuit and Nunavut firms combined (8 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 proportionate number of contracts Inuit and Nunavut firms win declines. This trend has been consistent over the past eight years.

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

<=$25,000	50%
>$25,000 to <=$100,000	30%
>$100,000	20%

- The 2014/15 statistics continue to show that Inuit and Nunavut firms are generally more successful at winning contracts in the under $25,000 value threshold. As the value of the contracts increase, Inuit and Nunavut firms tend to win a lower percentage of the contracts. This is largely due to the fact that the Procurement Policies of the GN specify that goods and services purchases with a value less than $25,000 are sourced locally, within Nunavut, where there are 3 or more vendors able to bid and provide the good or service.
- Inuit and Nunavut firms are more successful at winning Air Charter and Minor Construction contracts in the >$25,000 and <$100,000 category. This is an eight year trend.
- Inuit and Nunavut firms are more successful at winning Major and Minor Construction contracts as opposed to contracts for Consulting or Architectural/Engineering Services in the over $100,000 category. This is an eight year trend.
- More Sole Source contracts of higher value are awarded to Other (non-Inuit and non-Nunavut) firms. This is also an eight year trend.
- The number of submissions from Inuit firms (excluding goods orders) increased by 52% from 2008/09 to 2009/10. In 2010/11, Inuit firms participation increased a further 11%. In 2011/12 we see a big increase of 35% in submissions from Inuit firms. From 2009/10 to 2011/12 we have seen a 50% increase in submissions from Inuit firms. However, the number of submissions from Inuit firms for the 2012/13 year decreased by 36%. This is a noticable difference from the previous three years. In 2013/14 the Inuit firm submissions increased by 34% over 2012/13 however still down by 14% from the highs of 2011/12. From 2013/14 to 2014/15, the number of submissions from Inuit firms raised a further 7.7%.
- Inuit and Nunavut firms (especially Inuit firms) win a greater percentage share of contracts when goods are included in the contracting statistics. Inuit and Nunavut firms are able to compete better for goods contracts rather than service contracts. This is an eight year trend. This report does not analyse the value of contracts in each threshold category awarded to Inuit, Nunavut and Other. It only looks at volumes.
- The number of Inuit Firms responding to Tender calls for construction (Major Works) remained high in 2014/15. This indicates a consistent level of participation by Inuit firms in this area. Bids from Inuit Firms for Minor Works Construction and Maintenance Services also remains high.

NNI Policy Observations:

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

Fiscal Year	Number of Contracts	% of Total	Value of Contracts	Additional Cost to the GN
2014/15	55	2.8%	$ 6,832,142	$ 183,438
2013/14	41	2.1%	$ 2,302,040	$ 76,958
2012/13	41	2.3%	$ 2,180,163	$ 89,505
2011/12	68	3.6%	$22,919,133	$ 616,615
2010/11	57	3.1%	$11,028,315	$ 166,108
2009/10	59	3.3%	$23,976,383	$2,055,354

Cost of Applying the NNI Policy

The table above indicates that in the fiscal year 2014/15, there were 55 contracts that were effected by the NNI Policy. This means that 55 contracts would have been awarded to different contractors if not for the NNI Policy. The additional cost of the policy to the GN in 2014/15 was $183,438. The additional cost represents the additional cost to the GN given that contracts are not awarded to the lowest bid but to the lowest 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 six years of the above analysis, the contracts won due to the application of NNI, are overwhelmingly (83-96%) Purchase Orders – Goods. However, purchase orders are excluded from the data analysed in Section 7 – NNI Adjustments.

Exceptions

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

	2014/2015	2013/2014	2012/2013
Medical Travel	$37 Million (est.)	$34 Million (est.)	$29 Million (est.)
Fuel (PPD)	$199 Million (est.)	$192 Million (est.)	$174 Million (est.)
Police and Laboratory Services	$35 Million (est.)	$34 Million (est.)	$34 Million (est.)
Physician Services	$21 Million (est.)	$18 Million (est.)	$23 Million (est.)

Sole Source Contract Observations

- Sole Source Contracting practices are monitored closely. The GN believes we get the best value for our money through the competitive bidding process. Section 3 of this report discusses the acceptable conditions for Sole Sourcing.
- The GN continues to review the contributing factors to contracts that have been sole sourced. We will continue to work towards reducing the occurrence of this contracting method.
- Note that this report only considers Sole Source contracts worth $25,000 and over. The related report titled Procurement Activity Report (PAR) examines all Sole Source contracts over $5,000. The volume of contracts Sole Sourced (over 25K) is 8.5% of all contracts (over 25K) awarded for the fiscal year 2014/15. This statistic is trending downward over the last seven years.
- Note that 8.5% is a seven year low. The volume of Sole Source Contracts has decreased by 36% from the fiscal year 2013/14 to 2014/15. This represents a 37% decrease in value.
- A 7-year trend analysis shows that a significant volume of Sole Source contracts is in the dollar range >$25,000 to <=$100,000. The large majority of these Sole Source contracts are Service Contracts. These Sole Source Service Contracts are overwhelmingly awarded to Other (non-Inuit and non-Nunavut) companies. Typically these are specialized services not available in Nunavut. In 2014/15, 67% of the Sole Sources were in the >$25,000 to <=$100,000 range.

Objective

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

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

Introduction

This report presents statistical information about contracts entered into by GN departments as reported to CGS Procurement, Logistics and Contract Support (with the exception of Real Property Lease Contracts which are reported separately). The organization of this report is based on Section 16 of the GN Contract Procedures Manual. Information in this report is for GN contracting activity during the 2014/15 fiscal year with Inuit Labour achievement updates for construction contracts awarded the previous fiscal year.

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

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

Report Overview

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

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

1. Inuit – listed on the NTI Inuit Firms Registry,
2. Nunavut – listed on the GN Nunavut Business Registry (but excludes firms on the NTI Inuit Firm Registry),
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, as well as firms not located 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 >$5,000 to <=$25,000

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 on April 20, 2006 to allow non local Inuit and Nunavut firms to receive the local bid adjustment if no local firm submitted a bid.

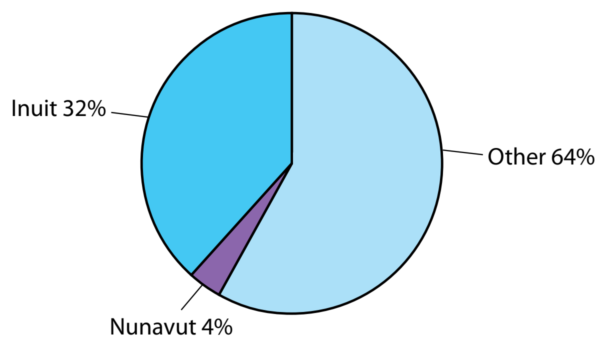
Summary

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
2014/15



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

In 2014/15 the total value for all contracts was, $288,944,000 (rounded to the nearest thousand dollars). $92,682,000 was awarded to Inuit (32%), $11,487,000 to Nunavut (4%) and $184,775,000 to Other (64%). For the purposes of this report, companies with Inuit and Nunavut status are included in Inuit.

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

Year	Awarded		Inuit		Nunavut		Other	
2014/15	$288,944	100%	$92,682	32%	$11,487	4%	$184,775	64%
2013/14	$351,989	100%	$140,119	40%	$36,187	10%	$175,683	50%
2012/13	$352,624	100%	$154,235	44%	$34,435	10%	$163,954	46%

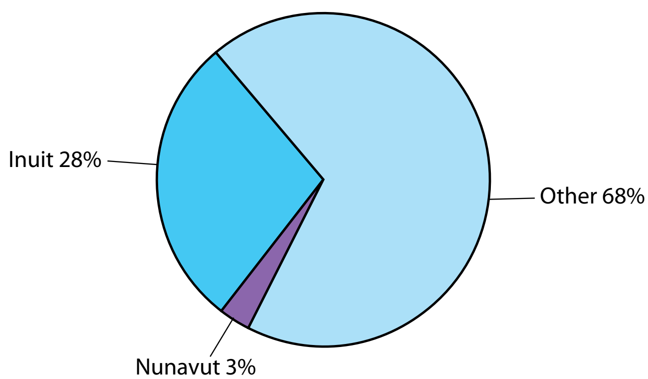
It is worthwhile to note that the category Other in this report includes specialized care contracts awarded by the Departments of Health and Family Services, Airport Maintenance and CARS contracts awarded by EDT to various Nunavut Hamlets (Municipal Corporations) and IT contracts by CGS. The Other status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

If we exclude contracts awarded to sole proprietorships/individuals, residential care and treatment facilities and health care providers, hamlets, municipal corporations, and related entities such as QEC, we find that a significant number of the contracts awarded to entities that fall within the Other category represent business sectors in the Nunavut economy which are at a competitive disadvantage, or are otherwise underdeveloped. In some cases we find that the Nunavut economy has insufficient volume to develop and maintain a successful business sector or industry. Challenges to successful entry and growth in some business sectors include the limited local market demand in Nunavut for a relatively small and widely distributed population, transportation costs in this vast geography, sufficient critical mass in skilled labour, trades and professionals and infrastructure, delivery and/or sale volumes relative to 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 particularly in professional services and health care. Some of the general categories of goods and services consumed by government that fall within the Other category include: Informatics and Systems, Software, Education Books, Training Aids, Engineering and Architectural Service Firms and Specialized Training and Consulting. Because the local market place cannot satisfy the needs, often these types of contracts are Sole Sourced. A listing of contracts awarded by Government of Nunavut is reported annually in the report entitled the **Procurement Activity Report.**

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

Government of Nunavut
Distribution of All Contracts Awarded by Status Category
Based on Volume
2014/15



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

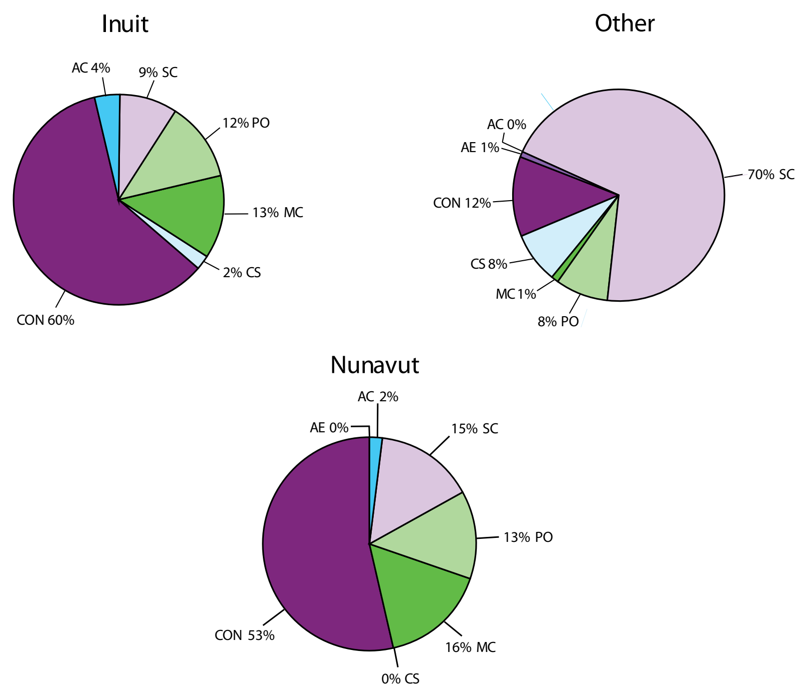
Year	Awarded		Inuit		Nunavut		Other	
2014/15	2,002	100%	567	28%	65	3%	1,370	68%
2013/14	1,909	100	563	29	58	3	1,288	67
2012/13	1,814	100	533	29	72	4	1,209	67

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 2002. Inuit were awarded 567 or 28%, 65 were awarded to Nunavut (3%) and 1370 went to Other (68%). These values reflect a 4.8% growth in the number of contracts issued. The volume of contracts awarded to "Other" increased by 6.3%.

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
2014/15



Distribution of Contracts Awarded by Type – Based on Value

2014/15
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 4,323	1%	$ 3,602	4%	$ 276	2%	$ 445	-%
Architectural/Engineering (AE)	2,740	1	-	-	39	-	2,701	1
Construction (CON)	83,353	29	55,655	60	6,067	53	21,631	12
Consulting Services (CS)	17,047	6	2,018	2	27	-	15,002	8
Minor Construction or Maintenance Services (MC)	15,867	5	12,286	13	1,872	16	1,709	1
Purchase Orders (PO)	26,311	9	10,684	12	1,481	13	14,146	8
Service Contracts (SC)	139,304	48	8,437	9	1,726	15	129,141	70
Total	$288,945	100%	$ 92,682	100%	$11,488	100%	$184,775	100%

2013/14
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 33,407	9%	$ 3,526	11%	$ 163	-%	$ 29,718	89%
Architectural/Engineering (AE)	7,801	2	-	-	40	1	7,761	99
Construction (CON)	171,158	49	105,793	62	29,736	17	35,629	21
Consulting Services (CS)	10,712	3	1,888	18	141	1	8,683	81
Minor Construction or Maintenance Services (MC)	16,202	5	10,523	65	3,737	23	1,942	12
Purchase Orders (PO)	20,051	6	9,031	45	22	-	10,998	55
Service Contracts (SC)	92,659	26	9,358	10	2,348	3	80,953	87
Total	$351,990	100%	$ 140,119	40%	$36,187	10%	$175,684	50%

2012/13
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 4,277	1%	$ 2,738	64%	$ -	-%	$ 1,539	36%
Architectural/Engineering (AE)	7,411	2	7	-	692	9	6,712	91
Construction (CON)	85,715	24	55,545	65	29,480	34	690	1
Consulting Services (CS)	32,615	9	1,304	4	1,507	5	29,804	91
Minor Construction or Maintenance Services (MC)	10,595	3	6,945	66	1,480	14	2,170	20
Purchase Orders (PO)	19,884	6	10,560	53	99	-	9,225	46
Service Contracts (SC)	192,128	54	77,137	40	1,177	1	113,814	59
Total	$352,625	100%	$ 154,236	44%	$34,435	10%	$163,954	46%

This sub-section analyses the distribution of the seven (7) main Contract Types in use at the GN, by value to Inuit, Nunavut and Other. The tables indicate the values of each contract type. The pie charts in the previous section illustrate the distribution of contract dollars to Inuit, Nunavut and Other for each contract type. For example, in 2014/15 out of $92,682,000 to Inuit Firms, 9% was for Service Contracts and 60% was for Major Works Construction.

Inuit and Nunavut companies, in general, are awarded the majority of the volume of Air Charter contracts (88%); this represents 83% of the Air Charter contract value in 2014/15.

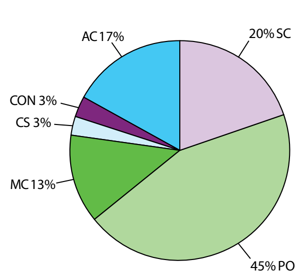
Inuit and Nunavut firms generally win a greater volume of Minor and Major Construction contracts.

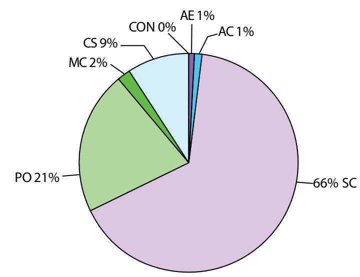
The tables above indicate that the total value of contracts decreased by 18% in 2014/15 but, the value of contracts to Other increased by 5%.

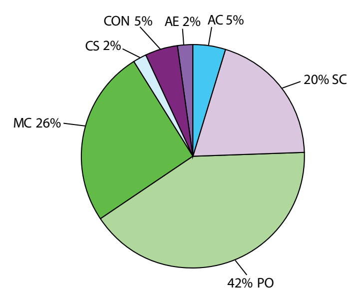
Over the last three reporting years, we see that the combined Inuit and Nunavut firms have on average won a majority of the value of Major Construction and a majority of the volume.

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
2014/15







Distribution of Contracts Awarded by Type – Based on Volume

2014/15

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	110	5%	94	17%	3	5%	13	1%
Architectural/Engineering (AE)	16	1	-	-	1	2	15	1
Construction (CON)	24	1	18	3	3	5	3	-
Consulting Services (CS)	147	7	17	3	1	2	129	9
Minor Construction or Maintenance Services (MC)	110	5	72	13	17	26	21	2
Purchase Orders (PO)	563	28	254	45	27	42	282	21
Service Contracts (SC)	1,032	52	112	20	13	20	907	66
Total	2,002	100%	567	100%	65	100%	1,370	100%

2013/14

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	138	7%	101	73%	2	1%	35	25%
Architectural/Engineering (AE)	21	1	-	-	1	5	20	95
Construction (CON)	28	1	19	68	6	21	3	11
Consulting Services (CS)	123	6	17	14	1	1	105	85
Minor Construction or Maintenance Services (MC)	102	5	69	68	17	17	16	16
Purchase Orders (PO)	636	33	248	39	3	-	385	61
Service Contracts (SC)	861	45	109	13	28	3	724	84
Total	1,909	100%	563	29%	58	3%	1,288	67%

2012/13

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

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

Over the last six (6) fiscal years, combined Inuit and Nunavut firms performed best in the categories of Major Works Construction, Minor Construction and Maintenance and Air Charters. In 2013/14 the numbers show that the combined Inuit and Nunavut firms competed well in the categories of Minor Construction and Maintenance Services (85% of the total volume), Air Charters (74% of the total) and Construction (89% of the total). In 2014/15, the numbers show that Inuit and Nunavut firms won Minor Construction and Maintenance Services (80%) in Major Construction (88%).

In 2014/15, the combined Inuit and Nunavut firms win the lowest share of contracts for Architectural and Engineering (6%), Service contracts (12%) and Consulting Services (13%). This is consistent over the last eight (8) years. Generally, Inuit and Nunavut firms are able to compete successfully for Air Charters, Construction, Minor Construction and Purchase Orders for goods.

During the last (6) six years from 2007/08 to 2012/13, the combined Inuit and Nunavut firms have won between 57-62% of Purchase Orders. In 2013/14 we see that this has dropped to 39%. In 2014/15 the percentage is back up to 50%.

For the nine year data (from 2006/07 to 2014/15), the volume of contracts to Other firms is between 54-68%. Therefore as the number of contracts overall grows, the ratio of contracts to Other firms versus the combined Inuit and Nunavut remains consistantly above 55%. Over the last three years, it has been 67-68%.

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 Departments of Health and Family Services and information technology services for Community & Government Services. The numbers in the Other category typically also include contracts signed with the Hamlet for Community Aerodrome Radio Station Operations (CARS) and Airport Operations and Maintenance (AOM). Purchase Orders to "Other" include the Territory's annual alcohol supply and fuel re-suppliers – products that are not available for purchase in Nunavut.

2. Contract Types

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

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

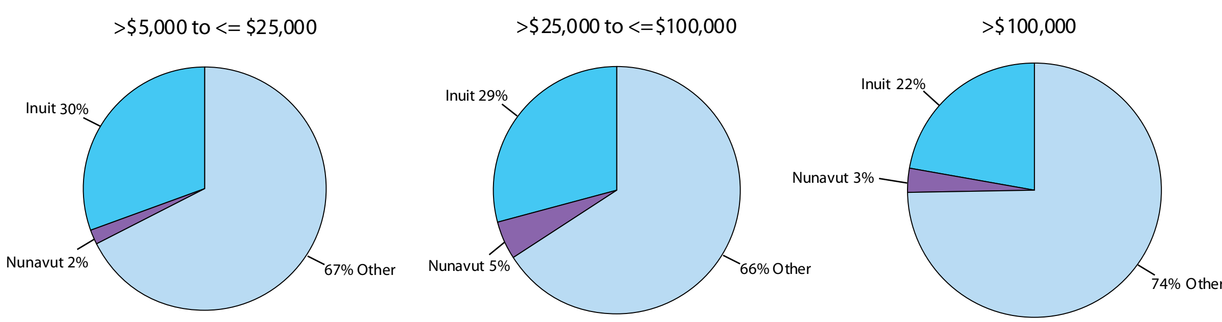
Contracts >$25,000 to <=$100,000

Contracts >$100,000.

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

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

Government of Nunavut
Distribution of Contract Values Awarded – Based on Volume
Including Contracts for Goods
2014/15



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

2014/15

Type	Awarded		Inuit		Nunavut		Other	
>$5,000 to <=$25,000	984	49%	299	30%	21	2%	664	67%
>$25,000 to <=$100,000	607	30	176	29	30	5	401	66
>$100,000	411	21	92	22	14	3	305	74
Total	2,002	100%	567	28%	65	3%	1,370	68%

2013/14

Type	Awarded		Inuit		Nunavut		Other	
>$5,000 to <=$25,000	952	50%	308	32%	8	1%	636	67%
>$25,000 to <=$100,000	596	31	164	28	30	5	402	67
>$100,000	361	19	91	25	20	6	250	69
Total	1,909	100%	563	29%	58	3%	1,288	67%

2012/13

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

The tables above illustrate that the combined Inuit and Nunavut firms are generally 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 nine reports.

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

	Inuit/Nunavut	Other
>$5,000 to <=$25,000	34%	66%
>$25,000 to <=$100,000	33%	67%
>$100,000	27%	73%

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

- For the 2014/15 fiscal year, 49% of the overall volume of contracts were for contracts between $5,000 and $25,000; Inuit and Nunavut firms won 32% of contract volume in this value category. This is down by 1% from last years as a proportionate share.
- 30% 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 28% and Nunavut 5%) of contract volume in this value category as a proportionate share. This is up by 1% from last year even though the total volume of contracts is up by 4.9%.
- 21% of the contracts awarded were contracts valued at greater than $100,000; Inuit and Nunavut firms won 25% of the volume of these contracts. This is down by 6% from last year.

For the 3 years covered by this report, the volume proportions are relatively consistent:

- contracts >$5,000 to <$25,000 represent roughly 50% of contracts.
- contracts between $25,000 and $100,000 represent roughly 30% of the total volume.
- contracts worth over $100,000 represent roughly 20% of the total volume.
- The overall trend over the past nine (9) years shows that contracts that are in the category of "Other" (Non-Inuit, Non-Nunavut) are winning a greater proportion of the number of contracts. This represents a gain of almost 2% per year in percentage share.
- We can expect that this trend may continue. Over the last 9 years, we are experiencing a greater volume of submissions for the competitive tendering process. There is an increasing number of firms for the category of "Other".

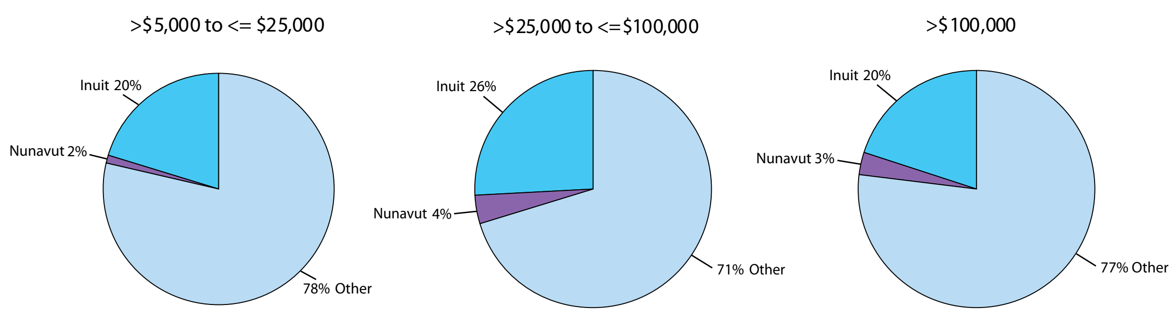
Volume of Contracts Awarded

Year	Total	Inuit	Nunavut	Other	%
2014/15	2002	567	65	1370	68%
2013/14	1909	563	58	1288	67%
2012/13	1814	533	72	1209	67%
2011/12	1880	654	76	1150	61%
2010/11	1822	637	121	1064	58%
2009/10	1783	584	177	1022	64%
2008/09	1520	545	150	826	54%
2007/08	1442	534	112	796	55%
2006/07	1053	410	63	796	76%

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
2014/15



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

2014/15

Type	Awarded		Inuit		Nunavut		Other	
>$5,000 to <=$25,000	627	44%	126	20%	11	2%	490	78%
>$25,000 to <=$100,000	455	32	117	26	16	4	322	71
>$100,000	357	25	70	20	11	3	276	77
Total	1,439	100%	313	22%	38	3%	1,088	76%

2013/14

Type	Awarded		Inuit		Nunavut		Other	
>$5,000 to <=$25,000	503	40%	140	28%	5	1%	358	71%
>$25,000 to <=$100,000	446	35	100	22	30	7	316	71
>$100,000	324	25	75	23	20	6	229	71
Total	1,273	100%	315	25%	55	4%	903	71%

2012/13

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

In 2014/15, when Goods contracts are removed, the number of contracts less than $25,000 decreases by approximately 36%. The number of contracts between $25,000 and $100,000 decreases by approximately 25%. The number of contracts over $100,000 decreases by only 13%.

In the pie charts above we examine the number of contracts excluding goods. Contracts for goods alone represents a volume of 563 or 28% of all contracts. 357 between $5,001-$25,000 (18%) 149 for $25,000-$100,000 (7%) and 54 greater than $100,000 (3%).

Impact Inuit Firms, with goods contracts removed, Proportionate Share

- The volume of contracts > $5,000 to <=$25,000 awarded to Inuit firms decreases by 10% when goods contracts are removed
- Contracts >$25,000 to <=$100,000 awarded to Inuit firms decrease by 3%
- Contracts >$100,000 awarded to Inuit Firms decreased by 2%, without goods contracts.

Impact on Nunavut Businesses, with goods contracts removed

- The volume of contracts > $5,000 to <=$25,000 – Awarded to Nunavut firms in this value threshold remains unchanged with goods contracts removed
- Contracts >$25,000 to <=$100,000 – Awarded to Nunavut firms decreases by 1%, with goods contracts removed
- Contracts >$100,000 – Awarded to Nunavut firms in this threshold 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 11%
- Contracts >$25,000 to <=$100,000 – Awarded to Other firms increases by 5%
- Contracts >$100,000 – Awarded to Other firms increases by 3%.

For the last eight 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, Other firms receive a greater percentage of contracts.

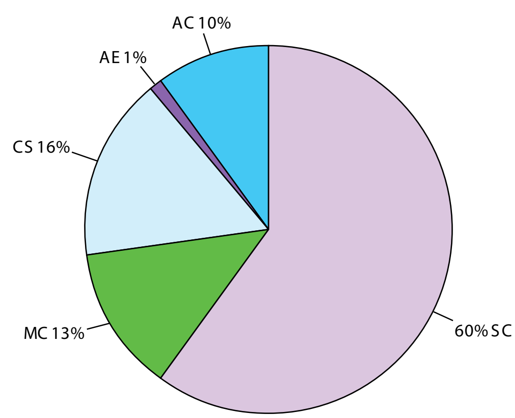
Generally, Inuit and Nunavut firms (especially Inuit firms) win a greater percentage share of contracts when goods are included in the contract statistics therefore, we can conclude that Inuit and Nunavut firms are able to compete better for goods contracts rather than Consulting contracts.

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
2014/15



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

Type	2014/15		2013/14		2012/13	
Air Charter (AC)	$ 2,530	10%	$ 2,213	9%	$ 1,736	7%
Architectural/Engineering (AE)	208	1	318	1	559	2
Consulting Services (CS)	4,038	16	3,186	13	8,088	31
Minor Construction or Maintenance Services (MC)	3,301	13	2,721	11	1,808	7
Service Contracts (SC)	14,904	60	16,165	66	13,651	53
Total	$24,981	100%	$ 24,603	100%	$25,842	100%

The table above represents the distribution of contracts by type for those in the range of $25-100K value.

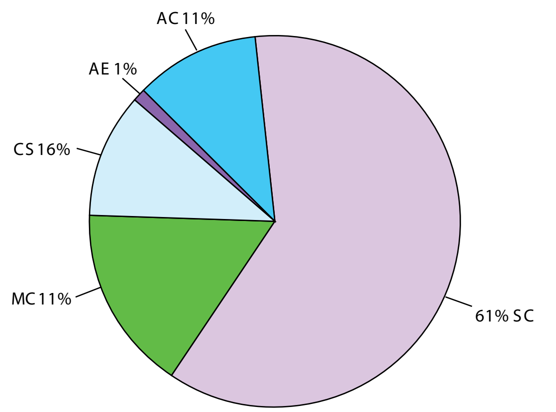
We can make some general conclusions over the last 7 years for contracts valued from $25,000 to $100,000.

- Air Charters compose roughly 10% of the total value
- Architectural and Engineering compose roughly 1-5% of the total value
- Consulting Services compose 13%, however the volumes often vary in direct opposite proportion to the Service Contract volumes. They are often used interchangably.
- Minor Construction composes 10% of the total value
- Service Contracts compose 65% of the total value.

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

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

Government of Nunavut
Distribution of Contracts by Type – Based on Volume
For Contracts > $25,000 to <= $100,000
Excluding Contracts for Goods
2014/15



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

Type	2014/15		2013/14		2012/13	
Air Charter (AC)	52	11%	49	11%	39	8%
Architectural/Engineering (AE)	4	1	7	2	10	2
Construction (CON)	-	-	-	-	-	-
Consulting Services (CS)	72	16	57	13	150	31
Minor Construction or Maintenance Services (MC)	50	11	47	11	28	6
Service Contracts (SC)	277	61	286	64	251	53
Total	455	100%	446	100%	478	100%

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

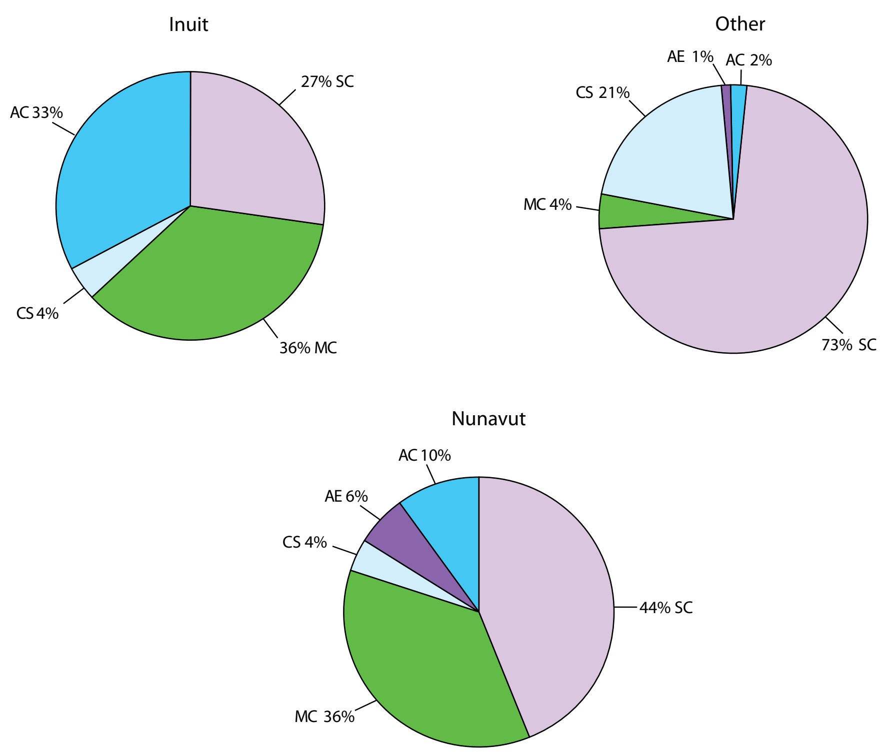
We can make some general conclusions over the last six years for contracts from $25,000 to $100,000:

- Air Charters compose 7-11% of the volume
- Architectural and Engineering compose 1-3% of the volume
- Major Construction composes 0-1% of the volume
- Minor Construction composes 8-10% of the volume
- Service Contracts compose 60-75% of the volume
- For Consulting Services, the reporting is not always consistent. This category often gets recorded as Service Contracts. Generally it is between 6-15%.

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

The chart below *"Government of Nunavut Distribution of Contracts by Status Category and Type Based on Value – For Contracts > $25,000 to <= $100,000 – Excluding Goods"* summarizes the distribution of contracting by status and 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 Status Category and Type – Based on Value
For Contracts > $25,000 to <= $100,000
Excluding Contracts for Goods
2014/15



This section looks at contracts greater than $25,000 and less than or equal to $100,000 excluding Purchase Order contracts. The pie charts and tables illustrate the distribution of awards to Inuit, Nunavut and Other firms by contract type. This chart shows that Inuit firms do not win many contracts for Architectural and Engineering in this dollar threshold. This is consistent for the last 8 years.

Inuit and Nunavut firms won 80% of the value of Minor Construction and Maintenance Services contracts in 2014/15 and in 2013/14, they won 81%. In 2012/13 they won 95%. It has been fairly consistant over the last six years that Inuit and Nunavut firms win a high proportionate share of these contracts.

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

2014/15 (Thousands)

Type	Awarded	Inuit		Nunavut		Other	
Air Charter (AC)	$ 2,530	$ 2,174	86%	$ 72	3%	$ 284	11%
Architectural/Engineering (AE)	208	-	-	39	19	169	81
Consulting Services (CS)	4,038	283	7	27	1	3,728	92
Minor Construction or Maintenance Services (MC)	3,301	2,384	72	255	8	662	20
Service Contracts (SC)	14,904	1,780	12	312	2	12,812	86
Total	$ 24,981	$ 6,621	27%	$ 705	3%	$17,655	71%

2013/14 (Thousands)

Type	Awarded	Inuit		Nunavut		Other	
Air Charter (AC)	$ 2,213	$1,602	72%	$ 163	7%	$ 448	20%
Architectural/Engineering (AE)	318	-	-	40	13	278	87
Consulting Services (CS)	3,186	308	10	-	-	2,878	90
Minor Construction or Maintenance Services (MC)	2,721	1,836	67	377	14	508	19
Service Contracts (SC)	16,165	1,161	7	983	6	14,021	87
Total	$24,603	$4,907	20%	$1,563	6%	$18,133	74%

2012/13 (Thousands)

Type	Awarded	Inuit		Nunavut		Other	
Air Charter (AC)	$ 1,736	$1,330	77%	$ -	-%	$ 406	23%
Architectural/Engineering (AE)	559	-	-	118	21	441	79
Consulting Services (CS)	8,089	583	7	779	10	6,727	83
Minor Construction or Maintenance Services (MC)	1,809	1,206	67	512	28	91	5
Service Contracts (SC)	13,651	1,531	11	382	3	11,738	86
Total	$25,844	$4,650	18%	$1,791	7%	$19,403	75%

The seven 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 2013/14 contracts >$25,000 to <=$100,000, excluding goods

For contracts in this range, 27% of the total value was awarded to Inuit firms and 3% was awarded to Nunavut Businesses. The remaining 71% 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 based outside of Nunavut. On the contrary, many Nunavut based companies do not register. Furthermore, individuals, hamlets, societies and other entities do not register because of the nature of their business. For example, hamlets can not register under the NNI for a bid adjustment. Also, individuals must be registered as a company before they can register for NNI or NTI status.

Inuit Firms

For the last three years, the value of contracts to Inuit firms has moved from 18% to 20% and to 27%. These fluxuations have had a corresponding decrease to "Other", from 75% in 2012/13 to 71% in 2014/15.

Inuit firms saw a small increase in the percentage share value of Service Contracts (5%) but an increase in Air Charters from 2013/14 to 2014/15. The percentage share jumped to (86%) for 2014/15. Over the last 3 years the percentage share of Air Charters for Inuit has steadily rose from 77% to 86%.

For Service Contracts, there was a 5% relative increase in award value. Inuit firms won 12% of the Service Contract dollar value in 2014/15 compared to 7% in 2013/14.

– Minor Construction or Maintenance Services rose from 67% to 72%.

– Air Charters from 72% to 86% increased of 14%.

– Consulting Services from 10% to 7%, slight decrease of 3%.

Overall, the value of the awards to Inuit firms went from 20% in 2013/14 to 27% in 2014/15.

Nunavut Firms

The proportionate share of the value of contracts to Nunavut Businesses went from 7% in 2012/13 to 6% in 2013/14 a slight decrease, and a further decrease to 3% in 2014/15. Nunavut businesses that also have Inuit Firm Status are included in Inuit.

Other

Over the last 3 years the proportionate share of the value of contracts to Other firms decreased by 4%.

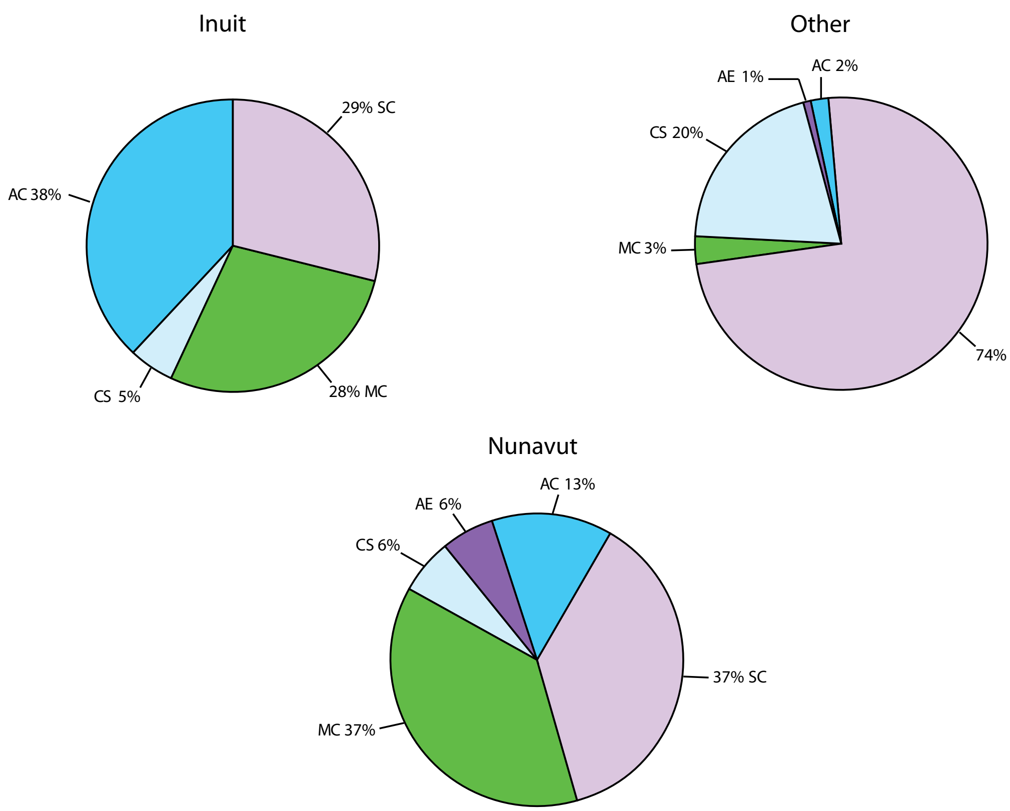
A three year average shows the following proportionate share.

- Inuit – 22%
- Nunavut – 5%
- Other – 73%

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

The chart below *"Government of Nunavut Distribution of Contracts by Status Category and Type – 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 and Type – Based on Volume
For Contracts > $25,000 and <= $100,000
Excluding Contracts for Goods
2014/15



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

2014/15

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	52	11%	44	85%	2	4%	6	12%
Architectural/Engineering (AE)	4	1	-	-	1	25	3	75
Consulting Services (CS)	72	16	6	8	1	1	65	90
Minor Construction or Maintenance Services (MC)	50	11	33	66	6	12	11	22
Service Contracts (SC)	277	61	34	12	6	2	237	86
Total	455	100%	117	26%	16	4%	322	71%

2013/14

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	49	11%	38	78%	2	4%	9	18%
Architectural/Engineering (AE)	7	2	-	-	1	14	6	86
Consulting Services (CS)	57	13	5	9	-	-	52	91
Minor Construction or Maintenance Services (MC)	47	11	32	68	6	13	9	19
Service Contracts (SC)	286	64	25	9	21	7	240	84
Total	446	100%	100	22%	30	7%	316	71%

2012/2013

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

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

The proportionate share of contracts to Inuit firms over the last three years averages at 22%. However, in an eight year analysis we see a decrease from 31% in 2007/08.

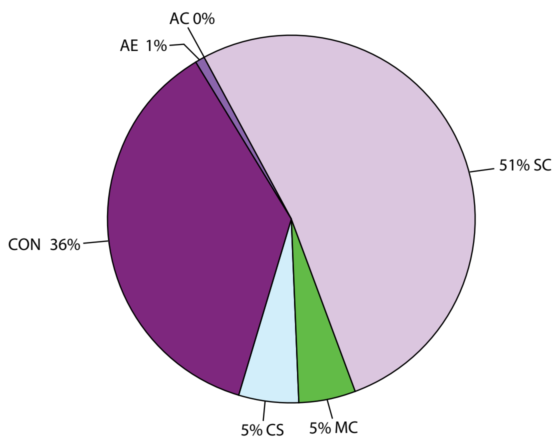
The proportionate share of contracts to Nunavut firms averages around 6%.

The proportionate share of contracts to Other firms averages around 73% for the last seven years.

Contracts > $100,000 Value, Type

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

**Government of Nunavut
Distribution of Contracts by Type – Based on Value
For Contracts > $100,000
Excluding Contracts for Goods
2014/15**



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

Type	2014/15		2013/14		2012/13	
Air Charter (AC)	$ 941	-%	$ 30,165	10%	$ 1,619	1%
Architectural/Engineering (AE)	2,486	1	7,394	2	6,763	2
Construction (CON)	83,353	36	171,158	57	85,714	29
Consulting Services (CS)	12,472	5	6,981	2	24,033	8
Minor Construction or Maintenance Services (MC)	12,328	5	13,297	4	8,686	3
Service Contracts (SC)	117,106	51	71,613	24	172,036	58
Total	$ 228,686	100%	$300,608	100%	$ 298,851	100%

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

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

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

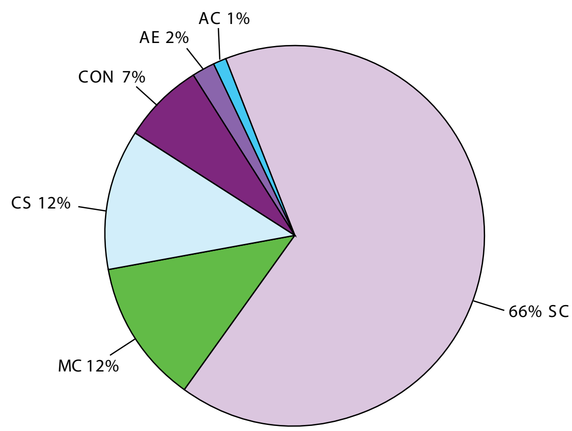
In 2012/13 we awarded several large multi-year contracts for Sealift Services. This accounts for the significant increase in the value of Service contracts awarded.

In 2013/14 the value of contracts for both Service Contracts and Consulting Services is down considerably. Consulting Services has decreased in value by 71% and Service Contracts by 58%. However, from the next section we see that the actual volume of Consulting Services has decreased by 40% but the volume of Service Contracts has increased by 10%.

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
2014/15**



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

Type	2014/15		2013/14		2012/13	
Air Charter (AC)	5	1%	16	5%	5	2%
Architectural/Engineering (AE)	7	2	9	3	13	5
Construction	24	7	28	9	16	6
Consulting Services (CS)	42	12	31	10	51	18
Minor Construction or Maintenance Services (MC)	43	12	45	14	23	8
Service Contracts (SC)	236	66	195	60	178	62
Total	357	100%	324	100%	286	100%

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

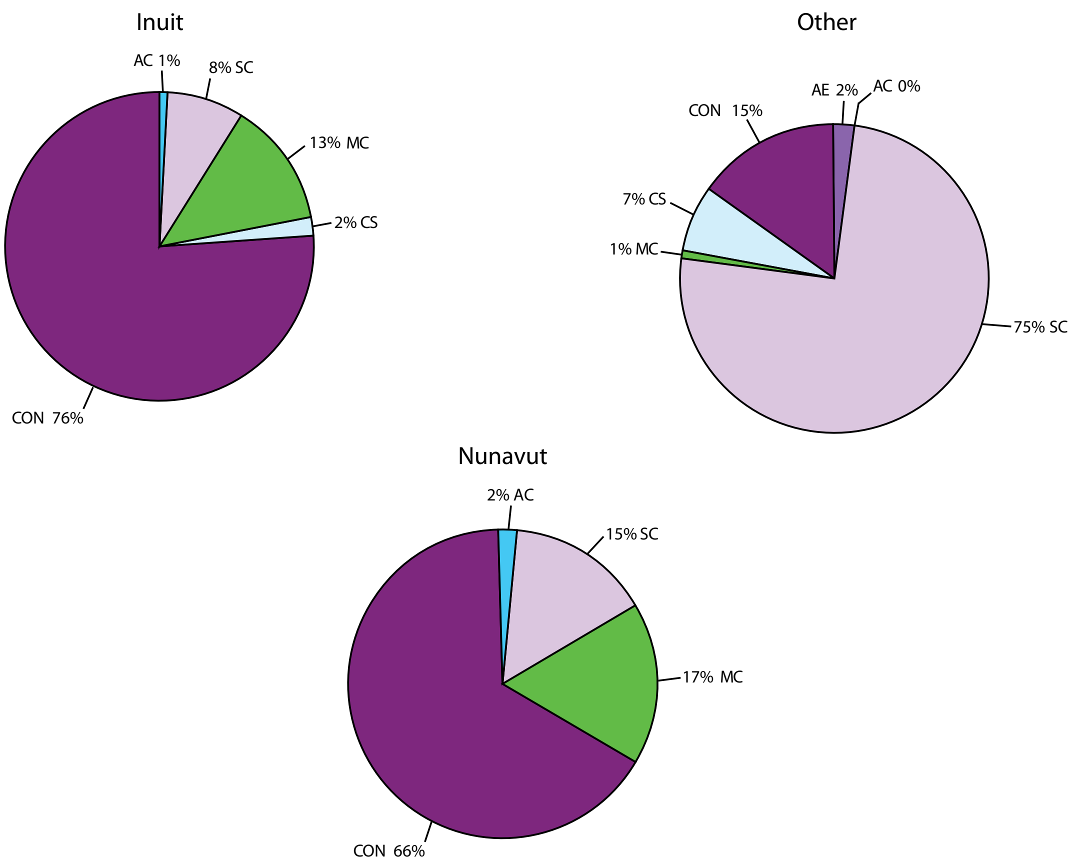
Over 60% of the volume and over 24% of the value of contracts in this value threshold are for Service Contracts. Service Contracts have made up a majority of the volume in this category for the past seven years.

In 2014/15, the value of contracts for Service Contracts and Consulting Services are both up. Service Contracts is up by 64% and Consulting Services by 79%. The volume of these contracts has also increased by 21% and 35% respectfully. Both the value and volume of all other contract categories has decreased in 2014/15.

Contracts > $100,000 Value – Category

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

Government of Nunavut
Distribution of Contracts by Status Category – Based on Value
For Contracts > $100,000
Excluding Contracts for Goods
2014/15



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

2014/15 (Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 940	-%	$ 620	1%	$ 204	2%	$ 116	-%
Architectural/Engineering (AE)	2,486	1	-	-	-	-	2,486	2
Construction (CON)	83,353	36	55,655	76	6,067	66	21,631	15
Consulting Services (CS)	12,473	5	1,699	2	-	-	10,774	7
Minor Construction or Maintenance Services (MC)	12,328	5	9,817	13	1,530	17	981	1
Service Contracts (SC)	117,106	51	5,751	8	1,353	15	110,002	75
Total	$228,686	100%	$ 73,542	100%	$ 9,154	100%	$145,990	100%

2013/14 (Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 30,164	10%	$ 1,044	3%	$ -	-%	$ 29,120	97%
Architectural/Engineering (AE)	7,394	2	-	-	-	-	7,394	100
Construction	171,158	57	105,793	62	29,736	17	35,629	21
Consulting Services (CS)	6,980	2	1,503	22	141	2	5,336	76
Minor Construction or Maintenance Services (MC)	13,296	4	8,537	64	3,359	25	1,400	11
Service Contracts (SC)	71,613	24	7,397	10	1,291	2	62,925	88
Total	$300,605	100%	$124,274	41%	$34,527	11%	$141,804	47%

2012/13 (Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 1,620	1%	$ 892	55%	$ -	-%	$ 728	45%
Architectural/Engineering (AE)	6,763	2	-	-	574	8	6,189	92
Construction	85,715	29	55,545	65	29,480	34	690	1
Consulting Services (CS)	24,033	8	708	3	728	3	22,597	94
Minor Construction or Maintenance Services (MC)	8,685	3	5,703	66	941	11	2,041	24
Service Contracts (SC)	172,037	58	74,615	43	590	-	96,832	56
Total	$298,853	100%	$137,463	46%	$32,313	11%	$129,077	43%

For the 2014/15 year, as a percentage of total contracts, the value of contracts to Inuit decreased by 9%. In pure dollar terms this represents a 41% decrease in the value of contracts to Inuit firms. The value to Nunavut businesses decreased by 7% in proportionate share. The percentage of the value to "Other" increased by 17%, a 3% increase in real dollars.

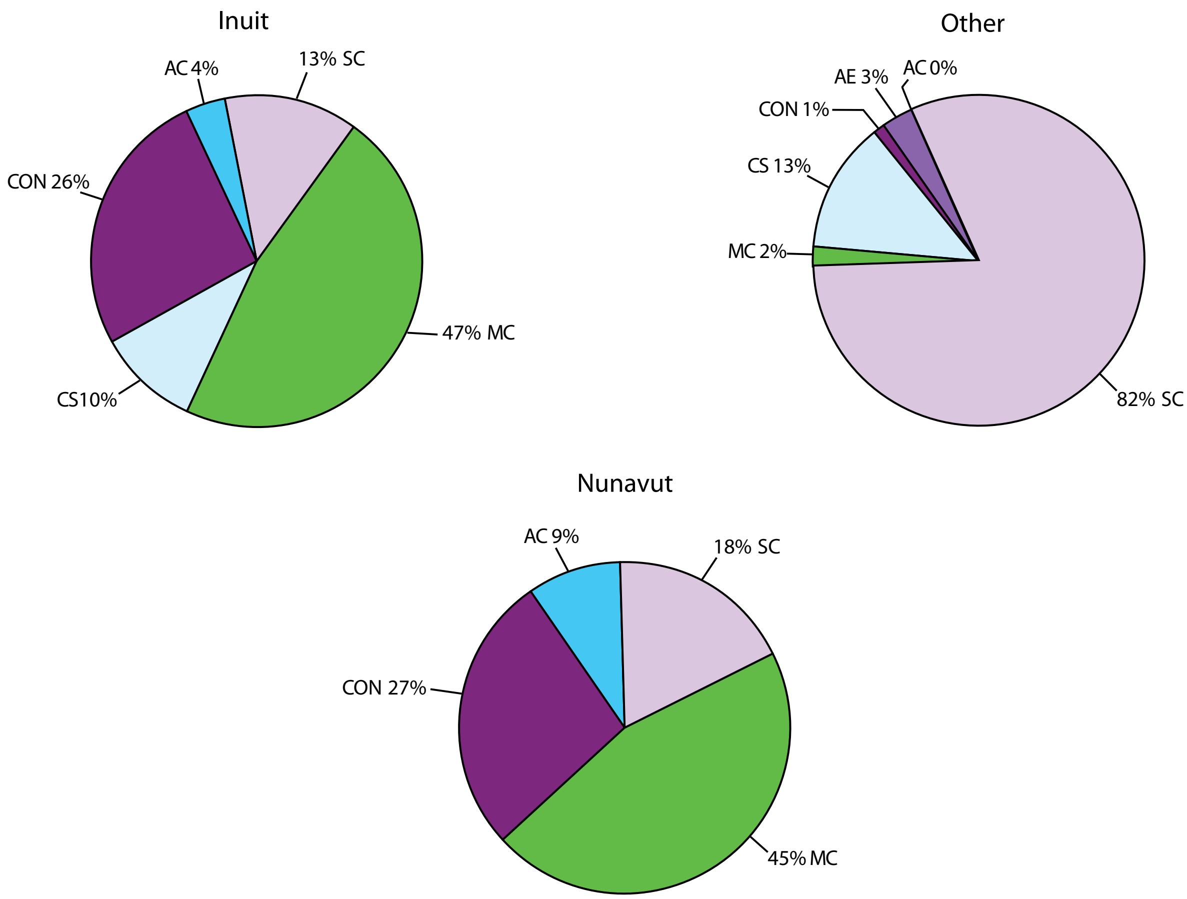
Over the past three years of this report, we see that the percentage value of the total contracts in this range has decreased by 14% for Inuit firms. This represents an actual dollar decrease of 47%. During this same time period, we see an decrease of 7% for Nunavut firms. These decreases have a corresponding increase of 21% in relative volume share for "Other" firms.

Generally, over the last three years, we see that the combined value, proportionate share, of contracts awarded to Inuit and Nunavut firms, has decreased and the share to Other has increased.

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
2014/15



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

2014/15

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	5	1%	3	4%	1	9%	1	-%
Architectural/Engineering (AE)	7	2	-	-	-	-	7	3
Construction (CON)	24	7	18	26	3	27	3	1
Consulting Services (CS)	42	12	7	10	-	-	35	13
Minor Construction or Maintenance Services (MC)	43	12	33	47	5	45	5	2
Service Contracts (SC)	236	66	9	13	2	18	225	82
Total	357	100%	70	100%	11	100%	276	100%

2013/14

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	16	5%	5	31%	-	-%	11	69%
Architectural/Engineering (AE)	9	3	-	-	-	-	9	100
Construction	28	9	19	68	6	21	3	11
Consulting Services (CS)	31	10	6	19	1	3	24	77
Minor Construction or Maintenance Services (MC)	45	14	29	64	11	24	5	11
Service Contracts (SC)	195	60	16	8	2	1	177	91
Total	324	100%	75	23%	20	6%	229	71%

2012/13

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

In 2014/15, out of the 70 contracts awarded to Inuit firms, 77% of them were for Minor Construction and Maintenance and Service Contracts. Nunavut Businesses won 11 of 357 contracts (3%).

Service Contracts represent a majority of the contracts in this category. This has been consistant over the past three years of this report.

For the fiscal year 2014/15, as a percentage of total contracts, the volume of contracts to Inuit contractors decreased by 3% and the volume to Nunavut firms decreased by 3%. The volume of contracts to Other increased by 6%. In terms of actual numbers, the volume to Inuit decreased by 7%; the volume to Nunavut decreased by 45%; and the volume to Other increased by 21%.

For the fiscal year 2013/14, as a percentage of the total contracts, the volume of contracts awarded to Inuit firms increased by 9%. The volume of contracts to Nunavut firms remains consistant at 6%. The volume of contracts to “Other” decreased by 9%.

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

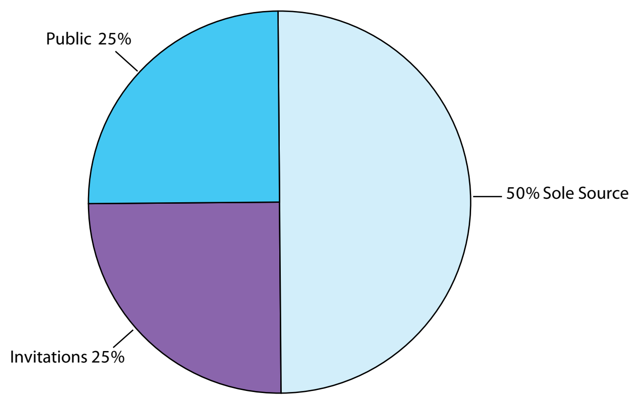
We can see a pattern for the volume of contracts in this category. Inuit firms win an average 20% of these contracts, Nunavut firms win 6% of these contracts and Other firms win 74% of the volume of these contracts. See chart below that outlines the percentage share for the past 6 years.

Year	Inuit	Nunavut	Other
2014/15	20%	3%	77%
2013/14	23%	6%	71%
2012/13	14%	6%	80%
2011/12	25%	6%	69%
2010/11	20%	5%	75%
2009/10	19%	8%	73%

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
2014/15



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

Year	Awarded	Public		Invitations		Sole Source	
2014/15	$12,052	$2,999	25%	$3,014	25%	$6,039	50%
2013/14	11,580	2,810	24	2,638	23	6,132	53
2012/13	13,067	2,360	18	3,039	23	7,668	59

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.

In 2014/15, of the total contract value of $12,052,000 (rounded to the nearest thousand), $6,013,000 resulted from Public or Invitational Request for Tenders or Proposals (50%) and $6,039,000 resulted from Sole Sources (56%).

In 2013/14, of a total contract value of $11,580,000 (rounded to the nearest thousand), $5,448,000 resulted from Public or Invitational Requests for Tenders or Proposals (47%) and $6,132,000 resulted from Sole Sources (53%).

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

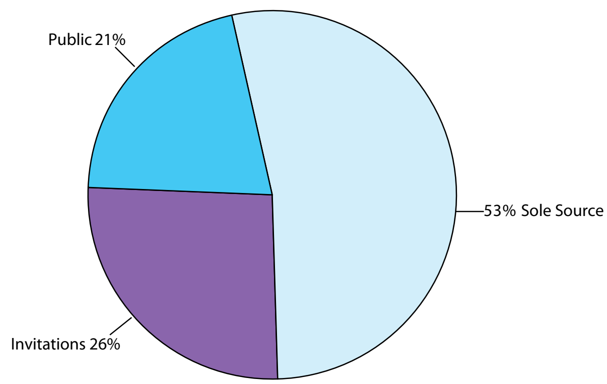
Under GN procurement policies, Public Tenders and Requests for Proposals (RFP's) are required for all goods and services over $25,000 and Construction over $100,000. Invitational Tenders are completed for goods and services over $5,000 but less than $25,000. This also includes Architectural/Engineering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

From the chart above we see that over the last three years, the value of proportionate share of Sole Source contracts has decreased by 9%. In real dollars this represents an 21% decrease.

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
2014/15



Distribution of Contracts by Contract Method – Based on Volume

Year	Awarded	Public		Invitations		Sole Source	
2014/15	216	45	21%	57	26%	114	53%
2013/14	221	50	23	55	25	116	52
2012/13	235	38	16	57	24	140	60

For the fiscal year 2013/14, the percentage share volume of Sole Source contracts decreased by 8% from 2012/13. This represents a real decrease in the number of Sole Sourced contracts by 17%.

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

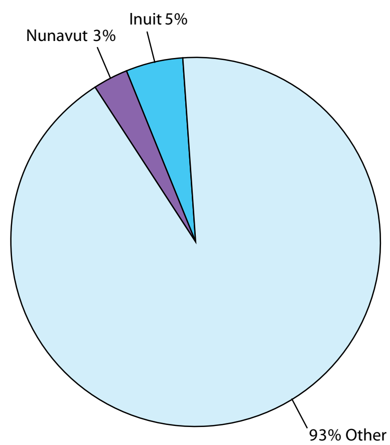
For the fiscal year 2014/15, the percentage volume of Sole Source contracts has increased by 1% in this value range, in real numbers, this represents a 2% decrease.

A three year trend shows a decrease of 36 fewer contracts Sole Sourced or a decrease of 26%.

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
2014/15**



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

Year	Awarded	Inuit		Nunavut		Other	
2014/15	$6,039	$277	5%	$167	3%	$5,595	93%
2013/14	6,133	187	3	164	3	5,782	94
2012/13	7,668	317	4	-	-	7,351	96

In 2013/14, only 6% of the contract value sole sourced were awarded to Inuit/Nunavut firms, 94% was awarded to Other.

In 2014/15, only 8% (slight increase) of the contract value Sole Sourced were awarded to Inuit/Nunavut firms, 93% was awarded to Other.

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

Clearly, the trend for the last 6 years has been that over 90% of the value of contracts Sole Sourced in this contract range are awarded to Non-Inuit and Non-Nunavut firms.

Sole Source Discussion

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

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

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

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

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

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

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

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

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

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

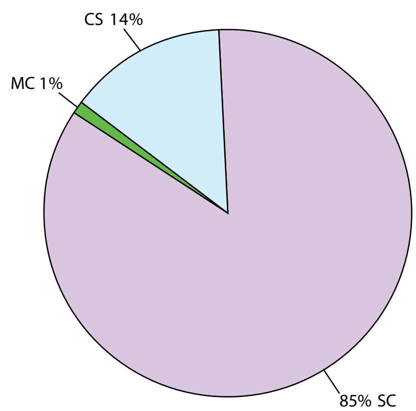
A significant portion of the sole source contracts represent contracts issued for the following:

- Specialized Residential Care, Department of Health and the Department of Family Services
- Proprietary Training Courses, including NAC
- Contracts to Hamlets for various work such as Airport Operations
- Proprietary Software and Maintenance contracts for software
- Proprietary Software and Maintenance contracts for hospital equipment
- Audiology Services, Department of Health
- Emergency response contracts such as search and rescue and fuel spill containment.

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 Businesses – 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
2014/15



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

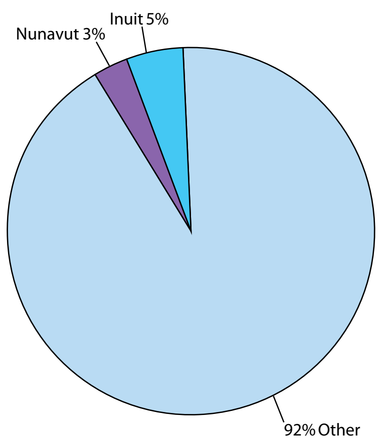
Sole Source – Other Businesses	2014/15		2013/14		2012/13	
Air Charter (AC)	$ -	-%	$ 68	1%	$ -	-%
Architectural/Engineering (AE)	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Consulting Services (CS)	782	14	429	7	2,943	40
Minor Construction or Maintenance Services (MC)	34	1	98	2	-	-
Service Contracts (SC)	4,779	85	5,187	90	4,408	60
Total	$ 5,595	100%	$5,782	100%	$ 7,351	100%

From the chart above and previous reports we see that Sole Source contracts that have been awarded to "Other" have been decreasing in value for the past five years. We have seen a 24% decrease in value from 2012/13 to 2014/15.

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
2014/15



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

Year	Awarded	Inuit		Nunavut		Other	
2014/15	114	6	5%	3	3%	105	92%
2013/14	116	5	4	3	3	108	93
2012/13	140	6	4	-	-	134	96

In 2014/15, of the total volume of 455 contracts in the >$25,000 to <=$100,000 dollar threshold category, 114 were the result of Sole Source awards (25%). This represents only 8% of all contracts awarded in 2014/15. This is a decrease of 1% from 2010/11.

In 2013/14, of the total volume of 446 contracts in the >$25,000 to <=$100,000 dollar threshold category, 116 were the result of Sole Source awards (26%). This represents only 6% of the contracts awarded in 2013/14.

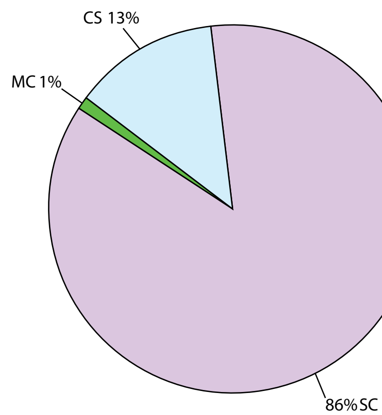
In 2012/13, of the 478 contracts in the >$25,000 to <=$100,000 dollar threshold category, 140 or 29% were the result of Sole Source awards. Of the 140 Sole Source awards, 96% went to "Other".

The above table shows a decreasing number of Sole Source contracts in this category are being awarded to Other companies. From previous reports, this is the sixth 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
2014/15



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

Sole Source - Other Businesses	2014/15		2013/14		2012/13	
Air Charter (AC)	-	-%	2	2%	-	-%
Architectural/Engineering (AE)	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Consulting Services (CS)	14	13	8	7	55	4
Minor Construction or Maintenance Services (MC)	1	1	1	1	-	-
Service Contracts (SC)	90	86	97	90	79	59
Total	105	100%	108	100%	134	63%

The volumes and corresponding percents of Sole Source contracts to Other by Contract Type are shown in the table above.

In 2014/15, 99% of Sole Source contracts to Other were Service Contracts and Consulting Services contracts.

In 2013/14, 97% of Sole Source contracts to Other were Service Contracts and Consulting Services.

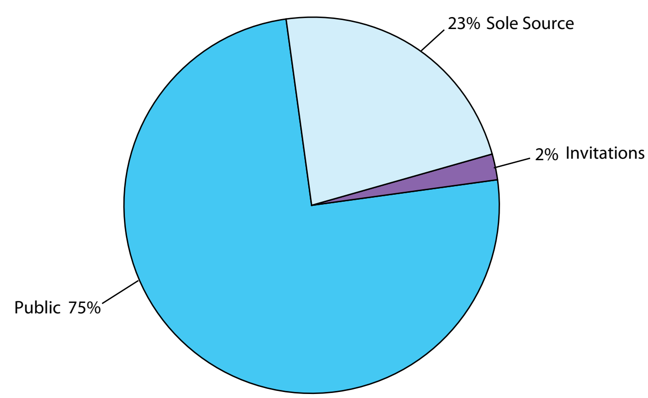
In 2012/13, 100% of the volume of Sole Source awards to Other (non-registered) were for two Contract Types: Consulting Services and Service Contracts.

The nine year trend indicates that the majority of Sole Source contracts awarded to "Other", are for Consulting Services and Service Contracts.

Contracts >$100,000, Contract Method, Value

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

Government of Nunavut
Distribution of Contracts > $100,000 By Contract Method
Based on Value
2014/15



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

Year	Awarded	Public		Invitations		Sole Source	
2014/15	$155,042	$116,529	75%	$2,749	2%	$35,764	23%
2013/14	272,249	246,818	91	2,479	1	22,952	8
2012/13	266,682	233,658	88	4,858	2	28,166	11

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 2014/15, of the total value $155,042,000 Public and Invitational Requests for Tenders or Proposals totaled $119,278,000 or 77%; and Sole Sources totaled $35,764,000 or 23%.

In 2013/14, of the total value of $272,249,000, Public or Invitational Requests for Tenders totaled $249,297,000 or 92%; and Sole Source totaled $22,952,000 or 8%.

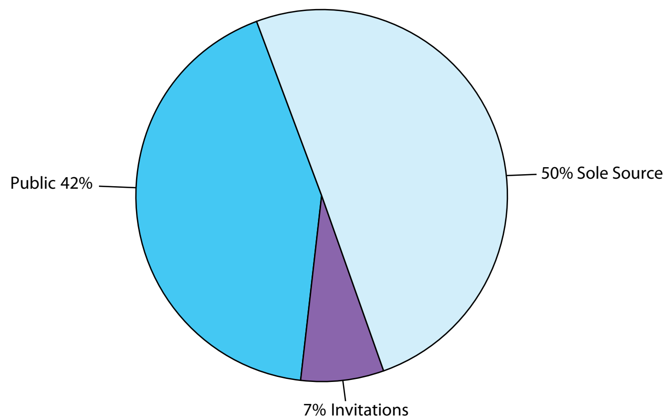
In 2012/13, of the total value of $266,682,000, Public or Invitational Requests for Tenders or Proposals totaled $238,516,000 or 89%; and Sole Sources totaled $28,166,000 or 11%.

For the three years covered by this report and from the table above we see that Sole Sources in this category have increased by 56% in real dollars for the year 2014/15.

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
2014/15



Distribution of Contracts by Contract Method – Based on Volume

Year	Awarded	Public		Invitations		Sole Source	
2014/15	202	85	42%	15	7%	102	50%
2013/14	201	108	54	12	6	81	40
2012/13	184	68	37	18	10	98	53

In 2013/14, of the 201 contracts awarded in the >$100,000 value threshold, 120 or 60% were the result of public and invited competitive procurement processes and 81 or 40% resulted from sole sourced contracts.

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

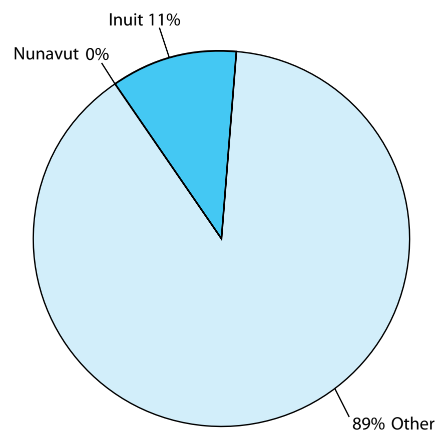
In 2014/15, of the 202 contracts awarded in the >$100,000 value threshold awarded, 100 or 49% resulted from Tenders or Proposals and 102 or 51% resulted from non-competitive Sole Sourcing.

The volume of Sole Source contracts had been decreasing from 2009/10 to 2013/14. However in 2014/15 we see a 26% increase in the volume of Sole Source contracts in this category.

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
2014/15



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

Year	Awarded	Inuit		Nunavut		Other	
2014/15	$35,764	$ 3,889	11%	$ 150	-%	$ 31,725	89%
2013/14	22,952	2,146	9	175	1	20,631	90
2012/13	28,166	651	2	450	2	27,065	96

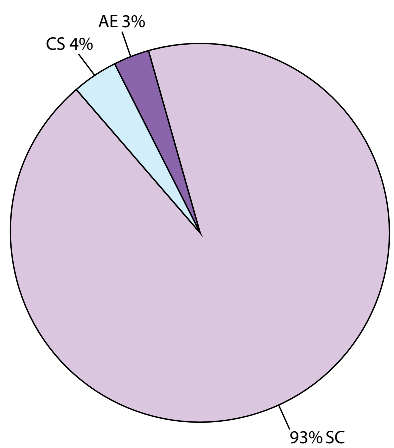
The pie-chart and corresponding table above shows that Sole Sourced contracts of value over $100,000 are largely awarded to Other (Non-Inuit and Non-Nunavut contractors). This has been consistent over the eight years of this report.

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

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

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

Government of Nunavut
Distribution of Sole Source Contracts > $100,000 By Type
Awarded to Other Businesses – Based on Value
2014/15



Distribution of Sole Source Contracts >$100,000 Awarded to Other Businesses – Based on Value (Thousands)

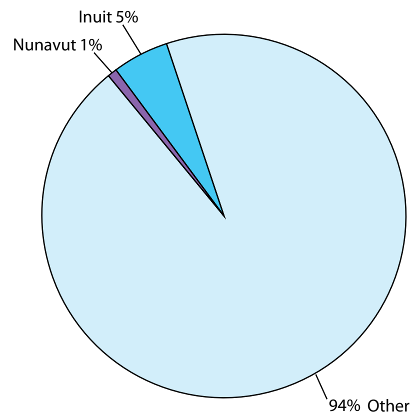
Sole Source – Other Businesses	2014/15		2013/14		2012/13	
Air Charter (AC)	$ -	-%	$ 258	1%	$ -	-%
Architectural/Engineering (AE)	902	3	218	1	142	1
Construction	-	-	-	-	690	3
Consulting Services (CS)	1,200	4	1,275	6	5,238	19
Minor Construction or Maintenance Services (MC)	-	-	465	2	-	-
Service Contracts (SC)	29,623	93	18,414	89	20,996	78
Total	$31,725	100%	$20,630	100%	$27,066	101%

In 2014/15, of the $35,764,000 awarded as Sole Source contracts, $31,725,000 were awarded to Other. Of the contracts awarded to Other, 93% were for Service Contracts. This relatively high percentage has been consistant over the three years covered by the chart above.

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
2014/15



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

Year	Awarded	Inuit		Nunavut		Other	
2014/15	102	5	5%	1	1%	96	94%
2013/14	81	8	10	1	1	72	89
2012/13	98	3	3	1	1	94	96

From the table above, in 2013/14, out of the 81 Sole Source contracts awarded, 72 or 89% were awarded to Other businesses (not registered as Inuit or Nunavut firms)

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

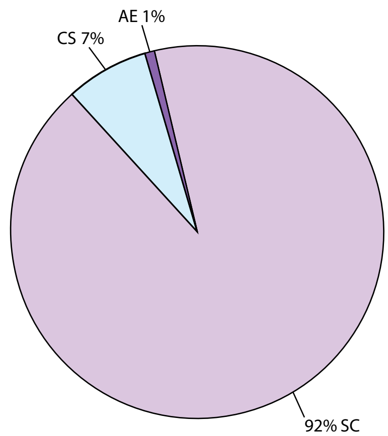
From the table above, in 2014/15, out of the 102 Sole Source contract awards, 96 or 94% went to Other businesses (not registered as Inuit or Nunavut firms).

The average of 90-95% proportionate share remains consistant over the last eight 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
2014/15



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

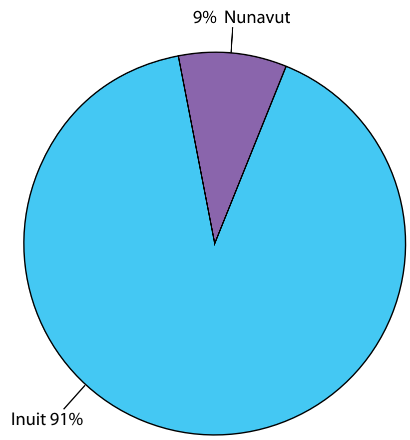
Sole Source – Other Businesses	2014/15		2013/14		2012/13	
Air Charter (AC)	-	-%	2	3%	-	-%
Architectural/Engineering (AE)	1	1	1	1	1	1
Construction	-	-	-	-	1	1
Consulting Services (CS)	7	7	4	6	21	5
Minor Construction or Maintenance Services (MC)	-	-	1	1	-	-
Service Contracts (SC)	88	92	64	89	71	76
Total	96	100%	72	100%	94	83%

From the chart above and over the last eight years of this report, Sole Source contracts in this category have been predominantly composed of Service Contracts.

4. Contracts Awarded to Local Business

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

Government of Nunavut
Contracts Awarded to Local Business – Based on Value
For Contracts > $25,000 to <= $100,000
Excluding Goods
2014/15



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

Type	2014/15		2013/14		2012/13	
Inuit	$4,260	91%	$2,648	81%	$2,767	71%
Nunavut	442	9	626	19	1,129	29
Total	$4,702	100%	$3,274	100%	$3,896	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 2014/15 of the $24,981,000 of contracts in the >$25,000 to <=$100,000 dollar value range, excluding Purchase Orders, a total of $4,702,000 was awarded to Local Inuit and Nunavut businesses. Of this $4,702,000 value, $4,260,000 was awarded to Local Inuit firms (91%) and $442,000 was awarded to Local Nunavut firms (9%).

In 2013/14, of the $24,603,000 of contracts in the >$25,000 to <=$100,000 dollar value range, excluding Purchase Orders, a total of $3,274,000 was awarded to Local Inuit and Nunavut businesses. Of that $3,274,000 value, $2,648,000 was awarded to Local Inuit firms (81%) and $626,000 was awarded to Local Nunavut firms, (19%).

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

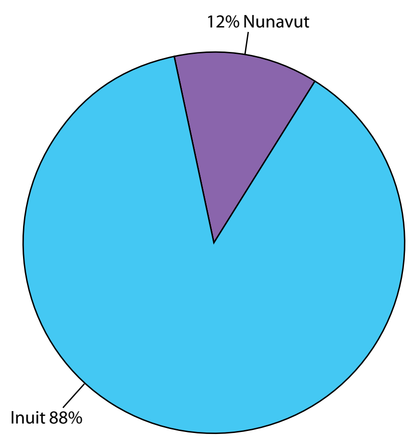
From this three year trend, we can see that Local Inuit firms receive a much larger majority of Local Awarded Contracts than do Nunavut firms. It is worthwhile to note that Inuit Firms who are registered under the NNI Policy as approved Nunavut Businesses are eligible for the full 21% of bid adjustments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

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

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

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

Government of Nunavut
Contracts Awarded to Local Business – Based on Volume
For Contracts > $25,000 to <= $100,000
Excluding Goods
2014/15



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

Type	2014/15		2013/14		2012/13	
Inuit	74	88%	53	84%	52	75%
Nunavut	10	12	10	16	17	25
Total	84	100%	63	100%	69	100%

Most of the contract winners reported as Inuit Firms are also Nunavut businesses, but none of the contract winners reported as Nunavut businesses are Inuit Firms.

In 2014/15, of the 455 contracts excluding Purchase Orders in this value range, 84 were awarded to Local Inuit and Nunavut businesses (18%). Of the 84 contracts, 74 were awarded to Local Inuit firms (88%) and 12 were awarded to Local firms (10%).

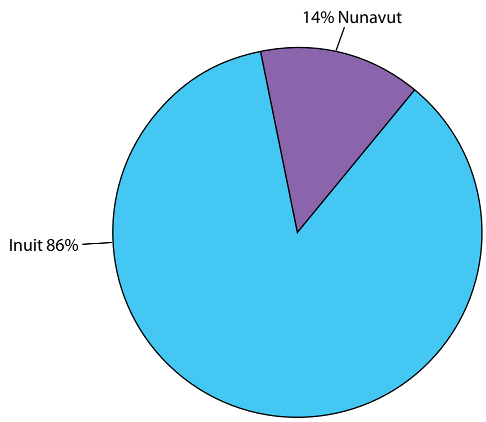
In 2013/14, of the 446 contracts excluding Purchase Orders in this value range, 63 were awarded to Local Inuit and Nunavut businesses (14%). Of the 63 contracts, 53 or 84% were awarded to Inuit Firms and 10 or 16% were awarded to Nunavut firms.

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

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
2014/15**



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

Type	2014/15		2013/14		2012/13	
Inuit	$20,135	86%	$17,818	48%	$106,156	95%
Nunavut	3,291	14	19,139	52	5,069	5
Total	$23,426	100%	$36,957	100%	$111,225	100%

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

In 2014/15, of the $228,686 (rounded to the nearest thousand) of contracts above the >$100,000 dollar value threshold, excluding Purchase Orders, $23,426,000 (rounded to the nearest thousand) was awarded to Local Inuit and Nunavut Businesses (10%). Of the $23,426,000, $20,135,000 was awarded to Local Inuit firms (86%), and $3,291,000 was awarded to Local Nunavut businesses (14%).

In 2013/14, of the $300,608,000 of contracts above the >$100,000 dollar value threshold, excluding Purchase Orders, $36,957,000 or 12% was awarded to Local Inuit and Nunavut businesses. Of this amount 48% or $17,818,000 was awarded to Inuit firms and 52% or $19,139,000 was awarded to Nunavut firms. This is significantly different from the previous 2 years.

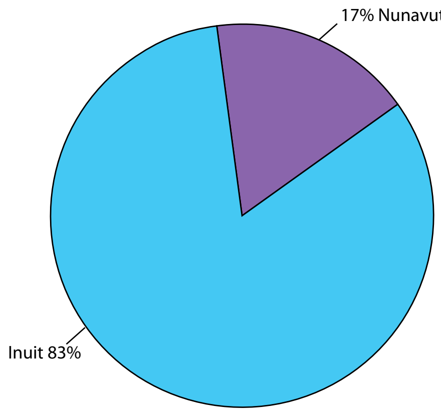
In 2012/13, of the $298,851,000 of contracts in this category $111,225,000 was awarded to Local Inuit or Nunavut firms (37%). Of the $111,225,000, 95% or $106,156,000 was awarded to Local Inuit firms, and 5% or $5,069,000 was awarded to Local Nunavut businesses.

An nine 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
2014/15



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

Type	2014/15		2013/14		2012/13	
Inuit	38	83%	35	69%	20	71%
Nunavut	8	17	16	31	8	29
Total	46	100%	51	100%	28	100%

In 2013/14, of the 324 awarded contracts in the >$100,000 dollar value range, excluding Purchase Orders, 51 or 16% were awarded to Inuit and Nunavut businesses.

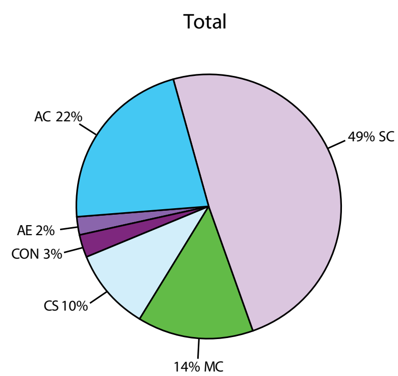
In 2012/13, of the 286 awarded contracts in the >$100,000 dollar value range, excluding purchase orders, 28 were awarded to Local Inuit and Nunavut businesses (10%). This shows a significant decrease in volume from 2009/10 and 2011/12.

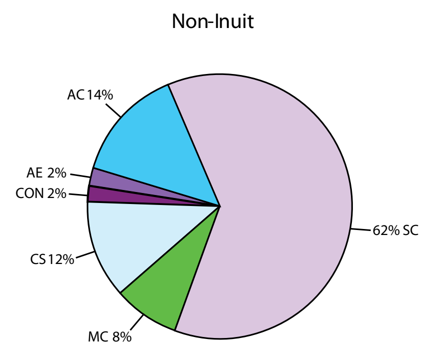
In 2014/15, of the 357 awarded contracts in the >$100,000 dollar value range, excluding Purchase Orders, 46 were awarded to Local Inuit and Nunavut Businesses (17%). Of the 46 contracts, 38 were awarded to Local Inuit firms (83%) and 8 were awarded to Local Nunavut businesses (17%).

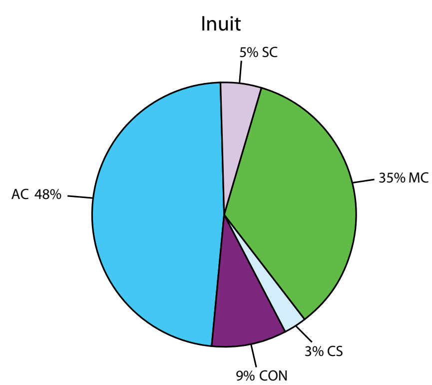
5. Submissions Received

The chart below *"Government of Nunavut Distribution of Submissions Received From Inuit and 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
2014/15







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

2014/15

Type	Total		Inuit		Non-Inuit	
Air Charter (AC)	309	22%	162	48%	147	14%
Architectural/Engineering (AE)	22	2	-	-	22	2
Construction (CON)	49	3	31	9	18	2
Consulting Services (CS)	142	10	9	3	133	12
Minor Construction or Maintenance Services (MC)	200	14	116	35	84	8
Service Contracts (SC)	682	49	18	5	664	62
Total	1,404	100%	336	100%	1,068	100%

2013/14

Type	Total		Inuit		Non-Inuit	
Air Charter (AC)	294	26%	139	47%	155	53%
Architectural/Engineering (AE)	45	4	3	7	42	93
Construction (CON)	64	6	43	67	21	33
Consulting Services (CS)	123	11	6	5	117	95
Minor Construction or Maintenance Services (MC)	158	14	105	66	53	34
Service Contracts (SC)	456	40	16	4	440	96
Total	1,140	100%	312	27%	828	73%

2012/13

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

During the fiscal year 2013/14, we see an increase in the volume of submissions from Inuit Firms. This increase of 34% (from 232 to 312 submissions) is significant. In 2012/13 we saw a 36% decrease from Inuit firms.

From 2012/13 to 2014/15 we see an overall increase in submissions from Inuit firms of 45% and an increase in Non-Inuit firms of 9%. Prior to 2012/13 we had seen four years of increases in Inuit firm participation.

The volume of submissions from Non-Inuit firms grew from 2007/08 to 2012/13. In 2013/14 we see a decrease (16%) for the first time in 7 years. From 2013/14 to 2014/15 we see a 29% increase.

From 2008/09 to 2010/11, a three year trend indicates that approximately 75% of bids received are from Non-Inuit firms and 25% from Inuit firms. In 2012/13 we see a change as Inuit firm submissions are only 19% of the submissions. In 2013/14 and 2014/15, the volume from Inuit firms is up again.

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.

	2014/15			2013/14			2012/13		
	Avg % Required	Avg % Bid	Avg % Achieved	Avg % Required	Avg % Bid	Avg % Achieved	Avg % Required	Avg % Bid	Avg % Achieved
Across Nunavut	36%	46%	39%	45%	55%	56%	46%	60%	62%
Baffin	25	31	33	25	31	33	25	38	42
Kitikmeot	30	47	47	22	28	23	33	42	44
Kivalliq	43	55	42	59	72	73	55	69	71

The values provided for Minor Construction Contracts across Nunavut over the last three fiscal years indicate that contractors on average are able to exceed the minimum requirements, both in their bids, and throughout the contract.

The 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.

	2014/15			2013/14			2012/13		
	Avg % Required	Avg % Bid	Avg % Achieved	Avg % Required	Avg % Bid	Avg % Achieved	Avg % Required	Avg % Bid	Avg % Achieved
Across Nunavut	23%	23%	28%	30%	33%	34%	35%	38%	39%
Baffin	10	10	18	28	26	32	20	22	24
Kitikmeot	27	23	37	30	49	41	33	34	34
Kivalliq	30	30	30	33	38	36	44	49	51

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

For the years 2012/13 and 2013/14 contractors on average are able to exceed the minimum requirements, both in their bids and at contract performance. This trend also holds true for 2014/15 with the exception of the Kivalliq Region reporting the percentage required, bid and achieved are all at equal levels.

For both Minor Construction and Major Construction, contractors tend to bid higher labour rates than are required.

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

	2014/15		2013/14		2012/13	
	Bonuses	Penalties	Bonuses	Penalties	Bonuses	Penalties
Across Nunavut	$402,810	$26,968	$330,370	$154,166	$1,158,710	$153,763
Baffin	$160,488	$ 7,376	$148,808	$127,443	$ 965,415	$ 57,274
Kitikmeot	$242,322	$19,592	$ 52,065	-	$ 37,620	-
Kivalliq	-	-	$129,497	$ 26,723	$ 155,675	$ 96,489

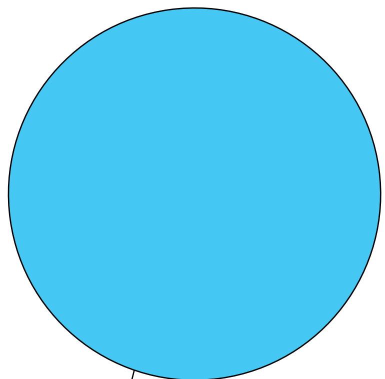
Bonuses are paid or penalties are levied when contractors exceed or do not achieve the contracted Inuit Labour requirement.

The above figures reflect Bonuses and Penalties paid out or collected in each year of the respective fiscal years. In the fiscal years 2012/13 to 2014/15 the amount of bonuses exceeded the penalties.

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
2014/15



Distribution of NNI Awarded Contracts – Based on Value

Contract Excluding Goods and Sole Source	2014/15		2013/14		2012/13	
Inuit	$5,662,775	100%	$36,260	100%	$146,849	100%
Total	$5,662,775	100%	$36,260	100%	$146,849	100%

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

In 2014/15, for contracts not including goods, $5,662,775 total value of contracts were impacted by the NNI Policy Application. This represents 11 contracts. Of the 11 contracts, 7 were for Air Charters.

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

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

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

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

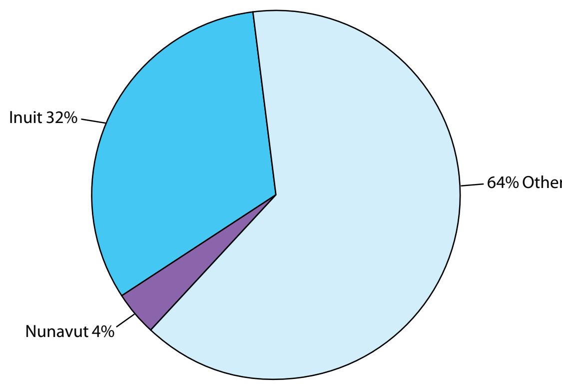
For a more complete analysis of contracts awarded due to the application of the NNI Policy, refer to the "General Observations" section in the front of this report.

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

8. Comparison to Prior Year

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 (in Thousands).

Government of Nunavut
Comparison to Prior Year Based on Contract Value
2014/15



	2014/15		2013/14	
Inuit	$92,682	32%	$140,119	40%
Nunavut	11,487	4	36,187	10
Other	184,775	64	175,683	50
Total	$288,944	100%	$351,989	100

The value of all contracts decreased by 18% for the 2014/15 fiscal year.

The value of contracts to Inuit decreased by 34%

The value of contracts to Nunavut decreased by 68%; and

The value of contracts to Other increased by 5%.

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

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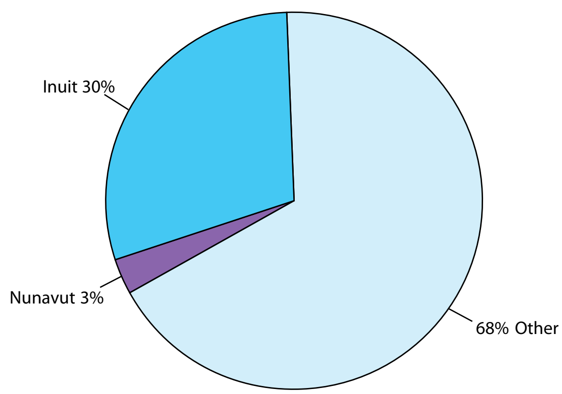
The chart below *"Government of Nunavut Comparison to Prior Year Based on Contract Volume"* summarizes the comparison of current year to previous year contract volume.

Government of Nunavut
Comparison to Prior Year Based on Contract Volume
2014/15



	2014/15		2013/14	
Inuit	567	30%	563	29%
Nunavut	65	3	58	3
Other	1,370	68	1,288	67
Total	2,002	101%	1,909	99%

The overall volume of contracts increased by 4.9% in 2014/15.

The volume of contracts to Inuit increased by 1%;

The volume of contracts to Nunavut increased by 12%;

The volume of contracts to Other increased by 6%.

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 at least 51% owned by Inuit and is included on the Nunavut Tunngavik Inc. (NTI) Inuit Firms Listing at the time the contract is awarded.

"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 at least 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.

"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
CH	Culture and Heritage
EDT	Economic Development and Transportation
EDU	Education
EIA	Executive and Intergovernmental Affairs
ENV	Environment
FS	Family Services
FIN	Finance
HR	Human Resources
HLTH	Health
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