# GOVERNMENT OF NUNAVUT

# Contract Activity Report

**Prepared by**

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**Fiscal Year 2015/16**

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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 2015/16.

- Statistically we now have eleven (11) years of data that is comparable in that we have gathered the same data.
- The total value of contracts awarded by the GN increased by 38% from 2014/15 to 2015/16. The ratio of contracts awarded to Nunavut firms decreased from 4% to 3% of the total value and contracts awarded to Inuit firms increased by 17%. Contracts to Other firms decreased by 16%.
- The value of contracts to Inuit Firms increased by 112%, the value to Nunavut firms decreased slightly by 2% and the value to Other firms increased by almost 4%.
- The number of contracts awarded is down slightly by 1% from 2014/15 to 2015/16.
- 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 10%, and the number of contracts to Nunavut Businesses increased by 66% while the total number of contracts awarded to Other decreased by 9%.
- As the volume of contracts has decreased by 1%, it is interesting to note that, the volume of contracts awarded to Other firms has decreased by 9% in comparison. The volume to combined Inuit and Nunavut increased by 15%.
- Over the last ten years, since 2006/07, the volume of contracts has increased by 88% while the volume awarded to “Other” has increased by 57%. The volume to Inuit has increased by 52% and Nunavut has increased by 71%.
- Over the last ten years, since 2006/07, Inuit Firms win 33% of the volume and 40% of the value of contracts. Nunavut Firms win 6% of the volume and 7% of the value of contracts. Other firms win 63% of the volume and 53% of the value of contracts.
- 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 (9 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 5 years.

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

- The 2015/16 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.
- Overall in 2015/16 we see that the volume of contracts to Inuit and Nunavut firms has increased significantly, 5% proportionate share.

- 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 a nine 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 a nine year trend.
- More Sole Source contracts of higher value are awarded to Other (non Inuit and non Nunavut) firms. This is also a nine 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 noticeable 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%. From 2014/15 to 2015/16, we see an increase of 10% in the volume of Inuit firm submissions.
- 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 a nine 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 2015/16. This indicates a consistent level of participation by Inuit firms in this area. Bids from Inuit Firms for Minor Works Construction and Maintenance Services and Air Charters 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 |
|---|---|---|---|---|
| 2015/16 | 64 | 3.2% | $ 5,779,608 | $ 338,914 |
| 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 2015/16, there were 64 contracts that were affected by the NNI Policy. This means that 64 contracts would have been awarded to different contractors if not for the NNI Policy. The additional cost of the policy to the GN in 2015/16 was $338,914. 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 seven 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:

| | 2015/2016 | 2014/2015 | 2013/2014 |
|---|---|---|---|
| Medical Travel | $39 Million (est.) | $37 Million (est.) | $34 Million (est.) |
| Fuel (PPD) | $180 Million (est.) | $199 Million (est.) | $192 Million (est.) |
| Police and Laboratory Services | $37 Million (est.) | $35 Million (est.) | $34 Million (est.) |
| Physician Services | $27 Million (est.) | $21 Million (est.) | $18 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.
- In 2015/16 the overall volume of Sole Source contracts has decreased by 31%, however in this report (Contract Activity Report) we only consider Sole Source contracts over $25,000. In 2015/16 we see that Sole Source contracts over $25,000 have increased by 15%.
- 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 2015/16, 53% 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 2015/16 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.

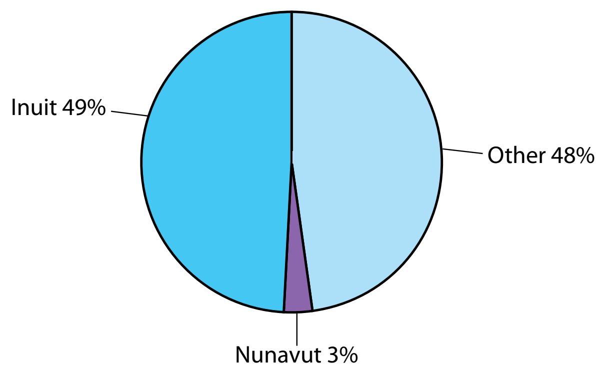
# Summary

## 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**
**2015/16**




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

In 2015/16 the total value for all contracts was, $399,164,000 (rounded to the nearest thousand dollars). $196,375,000 was awarded to Inuit (49%), $11,241,000 to Nunavut (3%) and $191,548,000 to Other (48%). 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 | |
|---|---|---|---|---|---|---|---|---|
| 2015/16 | $399,164 | 100% | $196,375 | 49% | $11,241 | 3% | $191,548 | 48% |
| 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% |

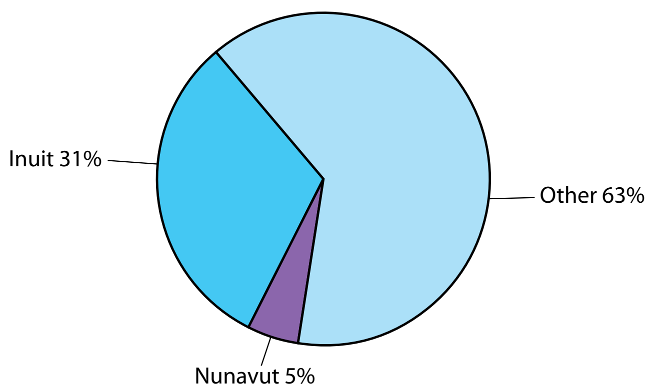
Note that the category Other in this report includes specialized care contracts awarded by the Departments of Health and Family Services, Airport Operations and Maintenance contracts awarded by EDT to various Nunavut Hamlets (Municipal Corporations) and IT contracts by CGS. The Other status category 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**
**2015/16**




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

| Year | Awarded | | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|---|
| 2015/16 | 1,978 | 100% | 623 | 31% | 108 | 5% | 1,247 | 63% |
| 2014/15 | 2,002 | 100 | 567 | 28 | 65 | 3 | 1,370 | 68 |
| 2013/14 | 1,909 | 100 | 563 | 29 | 58 | 3 | 1,288 | 67 |

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

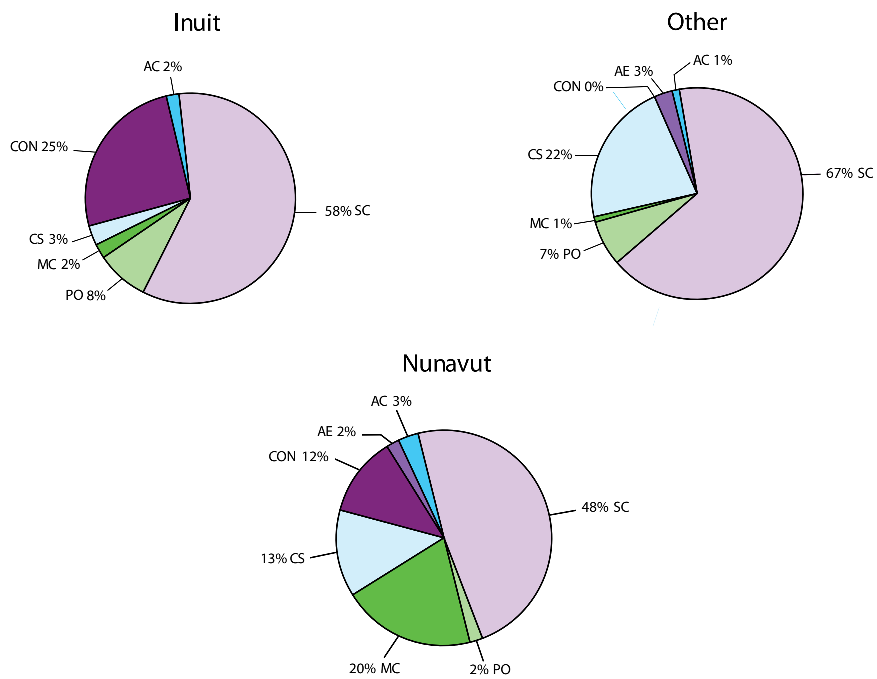
The total volume for all contracts was 1978. Inuit were awarded 623 or 31%, 108 were awarded to Nunavut (5%) and 1247 went to Other (63%). These values reflect a 1% decline in the number of contracts issued. The volume of contracts awarded to "Other" decreased by 9%.

A three year trend shows Inuit and Nunavut firms win an average 33% of the volume of contracts, and Others win 67% of the volume.

From 2009/10 to 2014/15, we see an overall slow increase in the overall percentage of the number of contracts to "Other" and a slow decrease to "Inuit" and "Nunavut". However in 2015/16, that trend has reversed.

**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**
**2015/16**




## Distribution of Contracts Awarded by Type – Based on Value

## 2015/16
## (Thousands)

| Type | Awarded | | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|---|
| Air Charter (AC) | $ 6,168 | 2% | $ 4,686 | 76% | $ 310 | 5% | $ 1,172 | 19% |
| Architectural/Engineering (AE) | 6,254 | 2 | - | - | 208 | 3 | 6,046 | 97 |
| Construction (CON) | 51,524 | 13 | 49,893 | 97 | 1,377 | 3 | 254 | - |
| Consulting Services (CS) | 49,209 | 12 | 6,506 | 13 | 1,479 | 3 | 41,224 | 84 |
| Minor Construction or Maintenance Services (MC) | 8,242 | 2 | 4,233 | 51 | 2,281 | 28 | 1,728 | 21 |
| Purchase Orders (PO) | 29,532 | 7 | 16,218 | 55 | 184 | 1 | 13,130 | 44 |
| Service Contracts (SC) | 248,234 | 62 | 114,838 | 46 | 5,402 | 2 | 127,994 | 52 |
| Total | $399,163 | 100% | $196,374 | 49% | $11,241 | 3% | $191,548 | 48% |

### 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% |

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 2015/16 out of $196,374,000 to Inuit Firms, 46% was for Service Contracts and 97% was for Major Works Construction.

Inuit and Nunavut companies, in general, are awarded the majority of the volume of Air Charter contracts (80%); this represents 81% of the Air Charter contract value in 2015/16.

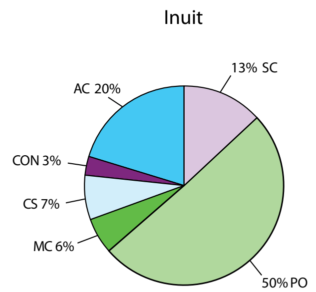
Inuit and Nunavut firms generally win a greater volume of Minor and Major Construction contracts.

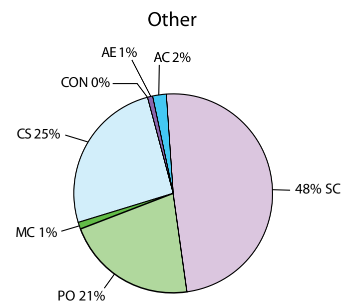
The tables above indicate that the total value of contracts increased by 38% in 2015/16 but, the value of contracts to Other increased by 3.7%.

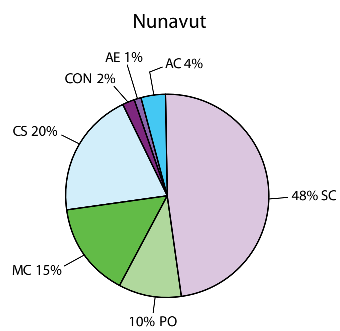
Over the last four reporting years, we see that the combined Inuit and Nunavut firms have on average won a majority of the value of Major Construction and a majority of the volume.

**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**
**2015/16**




## Distribution of Contracts Awarded by Type – Based on Volume

### 2015/16

| Type | Awarded | | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|---|
| Air Charter (AC) | 162 | 8% | 127 | 78% | 4 | 2% | 31 | 19% |
| Architectural/Engineering (AE) | 18 | 1 | - | - | 1 | 6 | 17 | 94 |
| Construction (CON) | 20 | 1 | 17 | 85 | 2 | 10 | 1 | 5 |
| Consulting Services (CS) | 382 | 19 | 46 | 12 | 22 | 6 | 314 | 82 |
| Minor Construction or Maintenance Services (MC) | 72 | 4 | 39 | 54 | 16 | 22 | 17 | 24 |
| Purchase Orders (PO) | 587 | 30 | 311 | 53 | 11 | 2 | 265 | 45 |
| Service Contracts (SC) | 737 | 37 | 83 | 11 | 52 | 7 | 602 | 82 |
| Total | 1,978 | 100% | 623 | 31% | 108 | 5% | 1,247 | 63% |

### 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% |

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 seven (7) 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 Inuit and Nunavut firms won 95% of Construction contracts, 76% of Minor Construction contracts and 80% of Air Charters.

In 2014/15, the combined Inuit and Nunavut firms win the lowest share of contracts for Architectural and Engineering (6%), Service contracts (11%) and Consulting Services (12%). This is consistent over the last nine (9) years. Generally, Inuit and Nunavut firms are able to compete successfully for Air Charters, Construction, Minor Construction and Purchase Orders for goods.

For the ten year data (from 2006/07 to 2015/16), 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 consistently above 55%.

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 Hamlets for 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

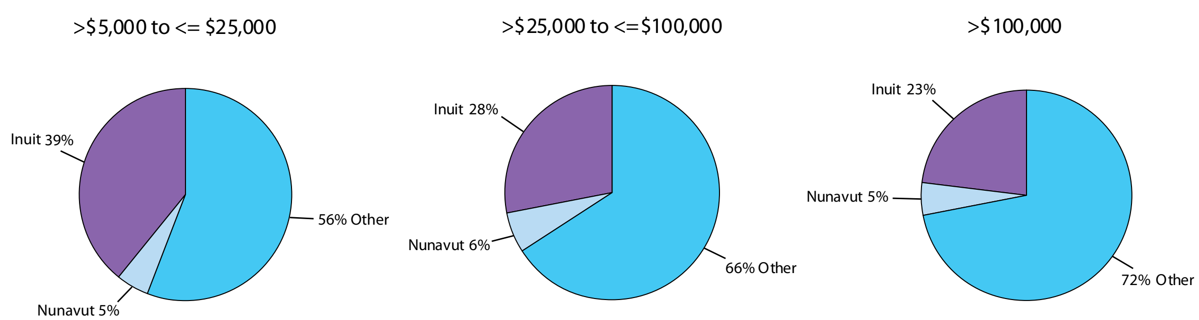
Contracts >$25,000 to <=$100,000

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**
**2015/16**




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

### 2015/16

| Type | Awarded | | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|---|
| >$5,000 to <=$25,000 | 891 | 45% | 344 | 39% | 47 | 5% | 500 | 56% |
| >$25,000 to <=$100,000 | 612 | 31 | 169 | 28 | 38 | 6 | 405 | 66 |
| >$100,000 | 475 | 24 | 110 | 23 | 23 | 5 | 342 | 72 |
| Total | 1,978 | 100% | 623 | 31% | 108 | 5% | 1,247 | 63% |

### 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% |

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 ten reports.

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

| | Inuit/Nunavut | Other |
|---|---|---|
| >$5,000 to <=$25,000 | 36% | 63% |
| >$25,000 to <=$100,000 | 34% | 66% |
| >$100,000 | 28% | 72% |

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 2015/16 fiscal year, 45% of the overall volume of contracts was for contracts between $5,000 and $25,000; Inuit and Nunavut firms won 44% of contract volume in this value category. This is up by 12% from last years as a proportionate share.
- 31% of the contracts were in the greater than $25,000 and less than or equal to $100,000 category; Inuit and Nunavut firms won 34% (Inuit 28% and Nunavut 6%) of contract volume in this value category as a proportionate share. This is up by 1% from last year.
- 24% of the contracts awarded were contracts valued at greater than $100,000; Inuit and Nunavut firms won 28% of the volume of these contracts. This is up by 3% 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.
- Up until 2014/15, the overall trend over the past nine (9) years showed that contracts that are in the category of “Other” (Non-Inuit, Non-Nunavut) were winning a greater proportion of the number of contracts. This represents a gain of almost 2% per year in percentage share. However 2015/16, we see a decline of 11% in proportionate share.

**Volume of Contracts Awarded**

| Year | Total | Inuit | % | Nunavut | % | Other | % |
|---|---|---|---|---|---|---|---|
| 2015/16 | 1978 | 623 | 31% | 108 | 5% | 1247 | 63% |
| 2014/15 | 2002 | 567 | 28% | 65 | 3% | 1370 | 68% |
| 2013/14 | 1909 | 563 | 29% | 58 | 3% | 1288 | 67% |
| 2012/13 | 1814 | 533 | 29% | 72 | 4% | 1209 | 67% |
| 2011/12 | 1880 | 654 | 35% | 76 | 4% | 1150 | 61% |
| 2010/11 | 1822 | 637 | 35% | 121 | 7% | 1064 | 58% |
| 2009/10 | 1783 | 584 | 33% | 177 | 10% | 1022 | 64% |
| 2008/09 | 1520 | 545 | 36% | 150 | 10% | 826 | 54% |
| 2007/08 | 1442 | 534 | 37% | 112 | 8% | 796 | 55% |
| 2006/07 | 1053 | 410 | 39% | 63 | 6% | 580 | 55% |

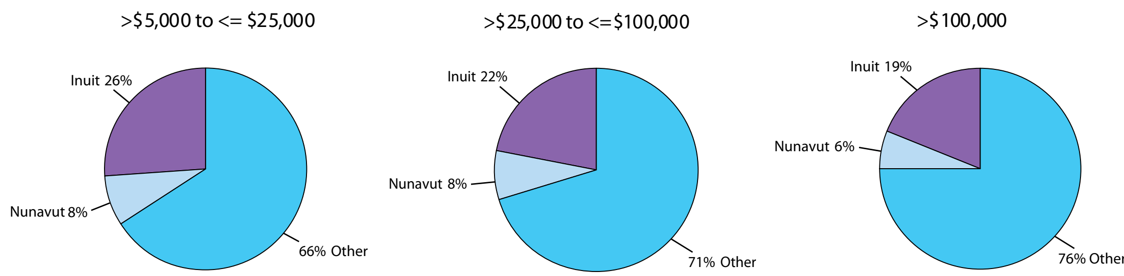
**Value of Contracts Awarded (in thousands)**

| Year | Total $ | Inuit $ | Inuit % | Nunavut $ | Nunavut % | Other $ | Other % |
|---|---|---|---|---|---|---|---|
| 2015/16 | 399,164 | 196,375 | 49% | 11,241 | 3% | 191,548 | 48% |
| 2014/15 | 288,944 | 92,682 | 32% | 11,487 | 4% | 184,775 | 64% |
| 2013/14 | 351,989 | 140,119 | 40% | 36,187 | 10% | 175,683 | 50% |
| 2012/13 | 352,624 | 154,235 | 44% | 34,435 | 10% | 163,954 | 46% |
| 2011/12 | 297,132 | 127,575 | 43% | 12,176 | 4% | 157,381 | 53% |
| 2010/11 | 271,132 | 92,566 | 34% | 18,553 | 7% | 160,013 | 59% |
| 2009/10 | 236,972 | 85,895 | 36% | 23,825 | 10% | 127,252 | 54% |
| 2008/09 | 269,411 | 99,674 | 37% | 18,660 | 7% | 151,077 | 56% |
| 2007/08 | 193,317 | 59,395 | 31% | 16,371 | 8% | 117,551 | 61% |
| 2006/07 | 138,019 | 67,559 | 49% | 8,347 | 6% | 62,113 | 45% |

## 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**
**2015/16**




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

### 2015/16

| Type | Awarded | | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|---|
| >$5,000 to <=$25,000 | 500 | 36% | 131 | 26% | 38 | 8% | 331 | 66% |
| >$25,000 to <=$100,000 | 473 | 34 | 102 | 22 | 36 | 8 | 335 | 71 |
| >$100,000 | 418 | 30 | 79 | 19 | 23 | 6 | 316 | 76 |
| Total | 1,391 | 100% | 312 | 22% | 97 | 7% | 982 | 71% |

### 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% |

In 2014/15, when Goods contracts are removed, the number of contracts less than $25,000 decreases by approximately 44%. The number of contracts between $25,000 and $100,000 decreases by approximately 23%. The number of contracts over $100,000 decreases by only 12%.

In the pie charts above we examine the number of contracts excluding goods. Contracts for goods alone represent a volume of 587 or 30% of all contracts. 391 between $5,001-$25,000 (20%) 139 for $25,000-$100,000 (7%) and 57 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 13% when goods contracts are removed
- Contracts >$25,000 to <=$100,000 awarded to Inuit firms decrease by 6%
- Contracts >$100,000 awarded to Inuit Firms decreased by 4%, 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 increased by 3% with goods contracts removed
- Contracts >$25,000 to <=$100,000 – Awarded to Nunavut firms increases by 2%, with goods contracts removed
- Contracts >$100,000 – Awarded to Nunavut firms in this threshold increased by 1% with goods contracts removed.

**Impact on Other Businesses, with goods contracts removed**

- Volume of contracts > $5,000 to <=$25,000 – Awarded to Other firms increased by 10%
- Contracts >$25,000 to <=$100,000 – Awarded to Other firms increases by 5%
- Contracts >$100,000 – Awarded to Other firms increases by 4%.

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

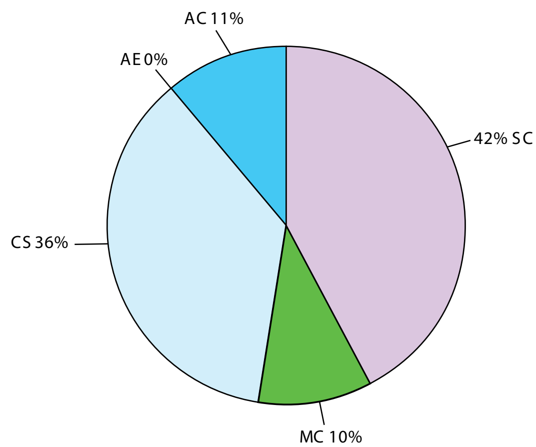
Generally, Inuit and Nunavut firms (especially Inuit firms) win a greater percentage share of contracts when goods are included in the contract statistics therefore, we can conclude that Inuit and Nunavut firms are able to compete better for goods contracts rather than Consulting contracts.

## 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**
**2015/16**




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

| Type | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Air Charter (AC) | $ 3,009 | 11% | $ 2,530 | 10% | $ 2,213 | 9% |
| Architectural/Engineering (AE) | 103 | - | 208 | 1 | 318 | 1 |
| Consulting Services (CS) | 9,902 | 36 | 4,038 | 16 | 3,186 | 13 |
| Minor Construction or Maintenance Services (MC) | 2,765 | 10 | 3,301 | 13 | 2,721 | 11 |
| Service Contracts (SC) | 11,419 | 42 | 14,904 | 60 | 16,165 | 66 |
| Total | $27,198 | 100% | $ 24,981 | 100% | $24,603 | 100% |

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

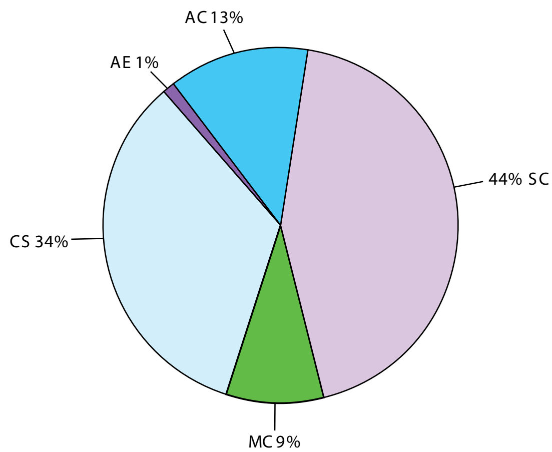
We can make some general conclusions over the last 7 years for contracts valued from $25,000 to $100,000.

- Air Charters compose roughly 10% of the total value
- Architectural and Engineering compose roughly 0-5% 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 interchangeably. Combined they compose 75-80%.
- 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**
**2015/16**




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

| Type | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Air Charter (AC) | 60 | 13% | 52 | 11% | 49 | 11% |
| Architectural/Engineering (AE) | 3 | 1 | 4 | 1 | 7 | 2 |
| Construction (CON) | - | - | - | - | - | - |
| Consulting Services (CS) | 162 | 34 | 72 | 16 | 57 | 13 |
| Minor Construction or Maintenance Services (MC) | 42 | 9 | 50 | 11 | 47 | 11 |
| Service Contracts (SC) | 206 | 44 | 277 | 61 | 286 | 64 |
| Total | 473 | 100% | 455 | 100% | 446 | 100% |

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

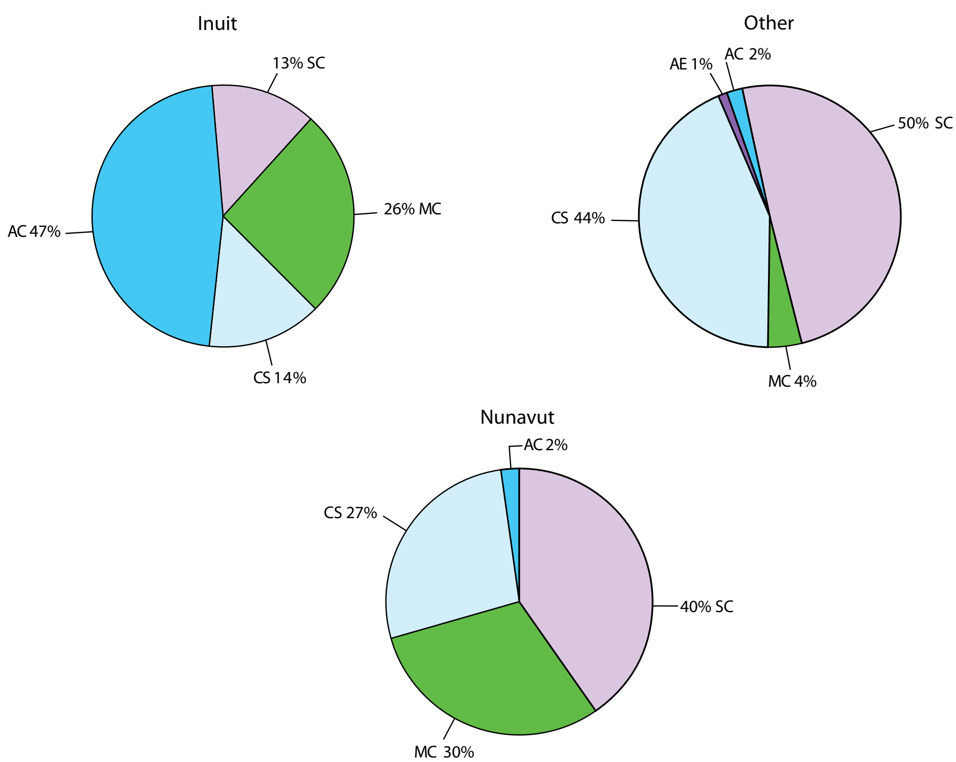
We can make some general conclusions over the last seven years for contracts from $25,000 to $100,000:

- 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 combined with Consulting Services range 76-78%
- For Consulting Services, the reporting is not always consistent. This category often gets recorded as Service Contracts.

**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**
**2015/16**




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 9 years.

In 2015/16 they won 75%. It has been fairly consistent over the last seven years that Inuit and Nunavut firms win a high proportionate share of these contracts. 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%.

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

### 2015/16
### (Thousands)

| Type | Awarded | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|
| Air Charter (AC) | $ 3,009 | $ 2,594 | 86% | $ 39 | 1% | $ 376 | 12% |
| Architectural/Engineering (AE) | 103 | - | - | - | - | 103 | 100 |
| Consulting Services (CS) | 9,902 | 759 | 8 | 547 | 6 | 8,596 | 87 |
| Minor Construction or Maintenance Services (MC) | 2,766 | 1,464 | 53 | 603 | 22 | 699 | 25 |
| Service Contracts (SC) | 11,419 | 722 | 6 | 809 | 7 | 9,888 | 87 |
| Total | $ 27,199 | $ 5,539 | 20% | $1,998 | 7% | $19,662 | 72% |

### 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% |

The eight 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 2015/16 contracts >$25,000 to <=$100,000, excluding goods

For contracts in this range, 20% of the total value was awarded to Inuit firms and 7% was awarded to Nunavut Businesses. The remaining 72% 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 20% to 27% and back to 20%. These fluctuations have had a corresponding decrease to “Other”, from 74% in 2013/14 to 72% in 2015/16.

The percentage share for all contracts won by Inuit firms decreased in 2015/16, with the exception of Air Charters which remained at 86%.

– Minor Construction or Maintenance Services fell from 72% to 53%.

– Consulting Services and Service Contracts (combined) fell from 19% to 12%.

Overall, the value of the awards to Inuit firms went from 27% in 2014/15 to 20% in 2015/16.

**Nunavut Firms**

The proportionate share of the value of contracts to Nunavut Businesses went from 3% in 2014/15 to 7% in 2015/16, 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 2%.

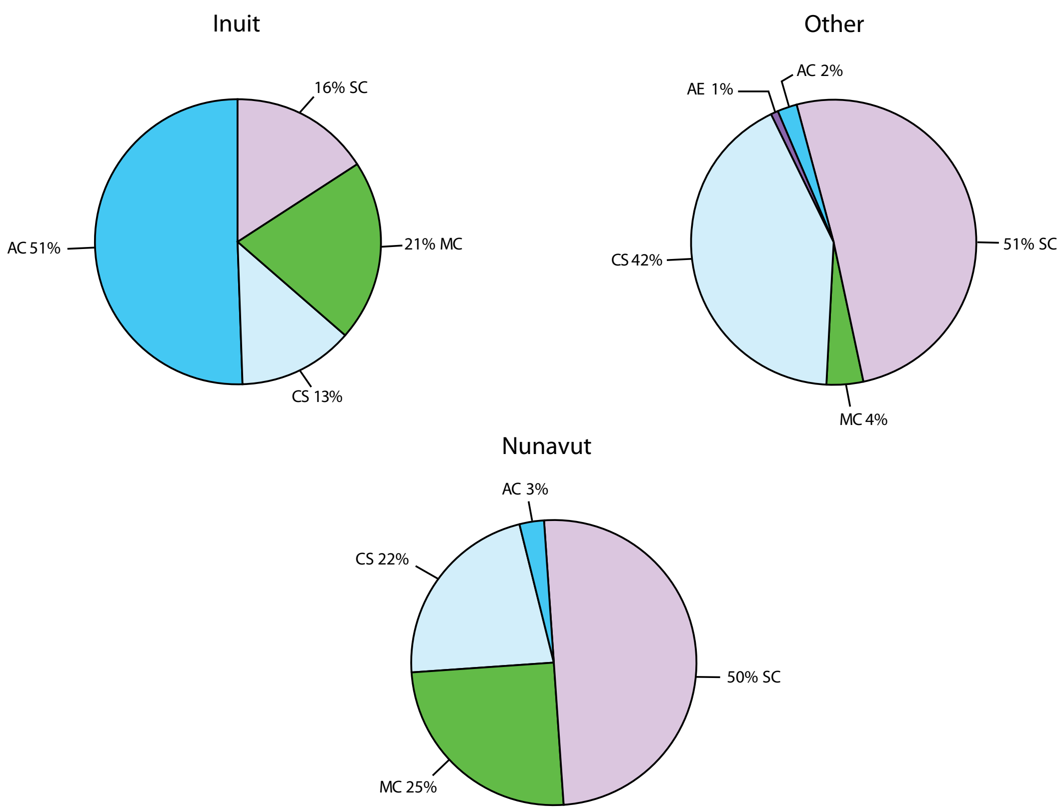
A three year average shows the following proportionate share.

- Inuit – 22%
- Nunavut – 5%
- Other – 72%

**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**
**2015/16**



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

### 2015/16

| Type | Awarded | | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|---|
| Air Charter (AC) | 60 | 13% | 52 | 87% | 1 | 2% | 7 | 12% |
| Architectural/Engineering (AE) | 3 | 1 | - | - | - | - | 3 | 100 |
| Consulting Services (CS) | 162 | 34 | 13 | 8 | 8 | 5 | 141 | 87 |
| Minor Construction or Maintenance Services (MC) | 42 | 9 | 21 | 50 | 9 | 21 | 12 | 29 |
| Service Contracts (SC) | 206 | 44 | 16 | 8 | 18 | 9 | 172 | 83 |
| Total | 473 | 100% | 102 | 22% | 36 | 8% | 335 | 71% |

### 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% |

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 23%. However, in a nine year analysis we see a decrease from 31% in 2007/08.

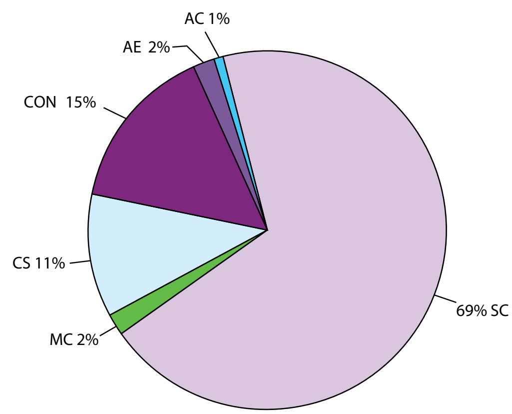
The proportionate share of contracts to Nunavut firms averages around 6%.

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**
**2015/16**




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

| Type | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Air Charter (AC) | $ 2,023 | 1% | $ 941 | -% | $ 30,165 | 10% |
| Architectural/Engineering (AE) | 6,121 | 2 | 2,486 | 1 | 7,394 | 2 |
| Construction (CON) | 51,524 | 15 | 83,353 | 36 | 171,158 | 57 |
| Consulting Services (CS) | 37,662 | 11 | 12,472 | 5 | 6,981 | 2 |
| Minor Construction or Maintenance Services (MC) | 5,443 | 2 | 12,328 | 5 | 13,297 | 4 |
| Service Contracts (SC) | 232,998 | 69 | 117,106 | 51 | 71,613 | 24 |
| Total | $ 335,771 | 100% | $228,686 | 100% | $ 300,608 | 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.

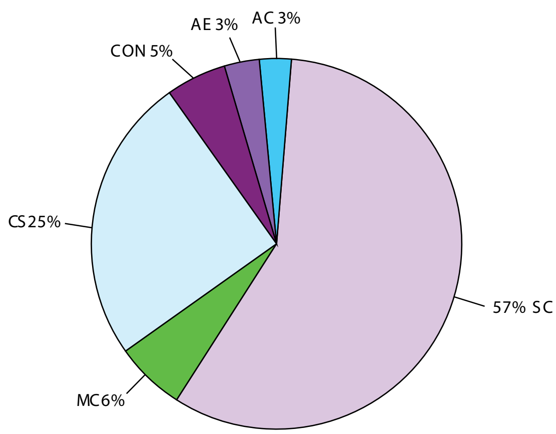
Over the last four years Architectural and Engineering, Consulting Services and Minor Construction have remained at consistent low levels of proportionate share of the total value of contracts greater than $100,000.

In 2015/16 the value of contracts for both Service Contracts and Consulting Services is up considerably. Construction has decreased in value by 38% and Minor Construction by 56%.

**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**
**2015/16**




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

| Type | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Air Charter (AC) | 13 | 3% | 5 | 1% | 16 | 5% |
| Architectural/Engineering (AE) | 12 | 3 | 7 | 2 | 9 | 3 |
| Construction (CON) | 20 | 5 | 24 | 7 | 28 | 9 |
| Consulting Services (CS) | 106 | 25 | 42 | 12 | 31 | 10 |
| Minor Construction or Maintenance Services (MC) | 27 | 6 | 43 | 12 | 45 | 14 |
| Service Contracts (SC) | 240 | 57 | 236 | 66 | 195 | 60 |
| Total | 418 | 100% | 357 | 100% | 324 | 100% |

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

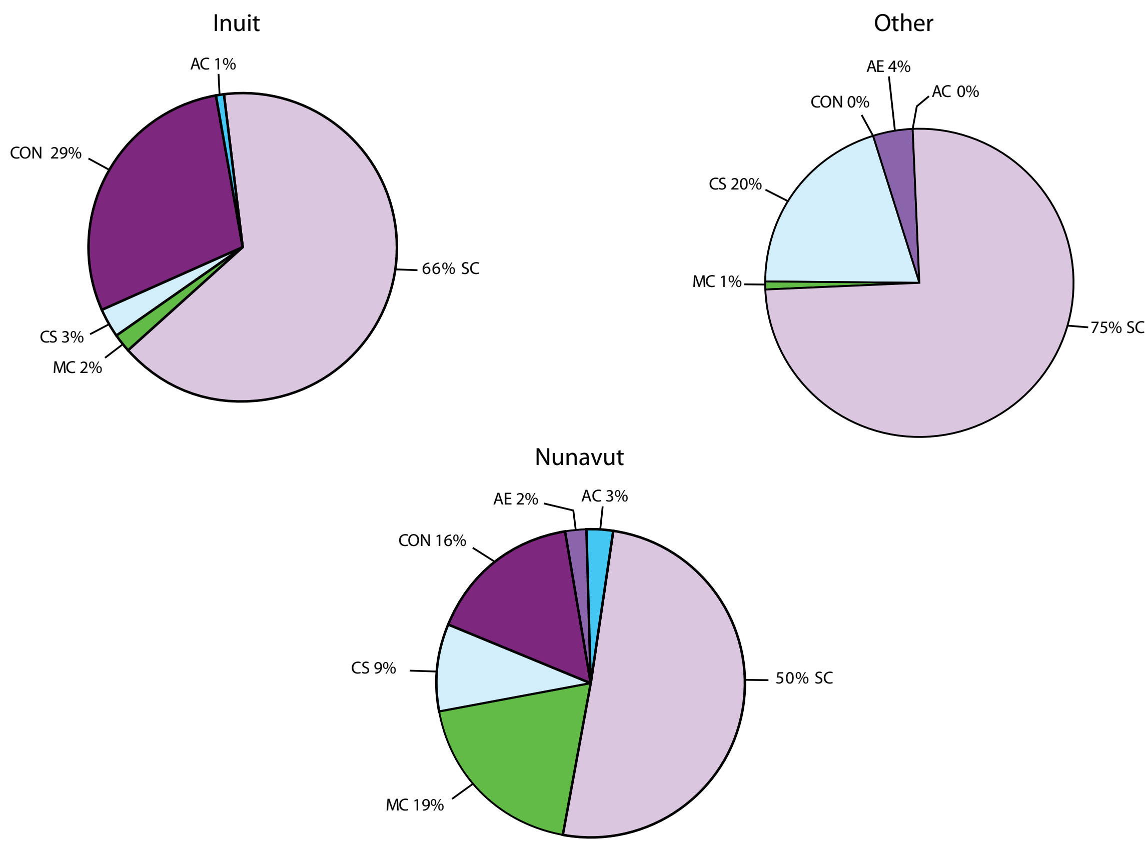
Over 80% of the combined volume and over 80% of the combined value of contracts in this value threshold are for Service Contracts and Consulting Services. Service Contracts have made up a majority of the volume in this category for the past eight years.

In 2015/16, the value and volume of contracts for Service Contracts and Consulting Services are both up. The combined value is up by 24% and the combined volume by 4%.

**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**
**2015/16**




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

### 2015/16 (Thousands)

| Type | Awarded | | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|---|
| Air Charter (AC) | $ 2,023 | 1% | $ 1,123 | 56% | $ 262 | 13% | $ 638 | 32% |
| Architectural/Engineering (AE) | 6,120 | 2 | - | - | 208 | 3 | 5,912 | 97 |
| Construction (CON) | 51,524 | 15 | 49,893 | 97 | 1,377 | 3 | 254 | - |
| Consulting Services (CS) | 37,663 | 11 | 5,426 | 14 | 810 | 2 | 31,427 | 83 |
| Minor Construction or Maintenance Services (MC) | 5,442 | 2 | 2,759 | 51 | 1,654 | 30 | 1,029 | 19 |
| Service Contracts (SC) | 232,999 | 69 | 113,633 | 49 | 4,294 | 2 | 115,072 | 49 |
| Total | $335,771 | 100% | $172,834 | 51% | $ 8,605 | 3% | $154,332 | 46% |

### 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 (CON) | 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% |

For the 2015/16 year, as a percentage of total contracts, the value of contracts to Inuit increased by 19%. In pure dollar terms this represents a 135% increase 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” decreased by 18%, a 6% decrease in real dollars.

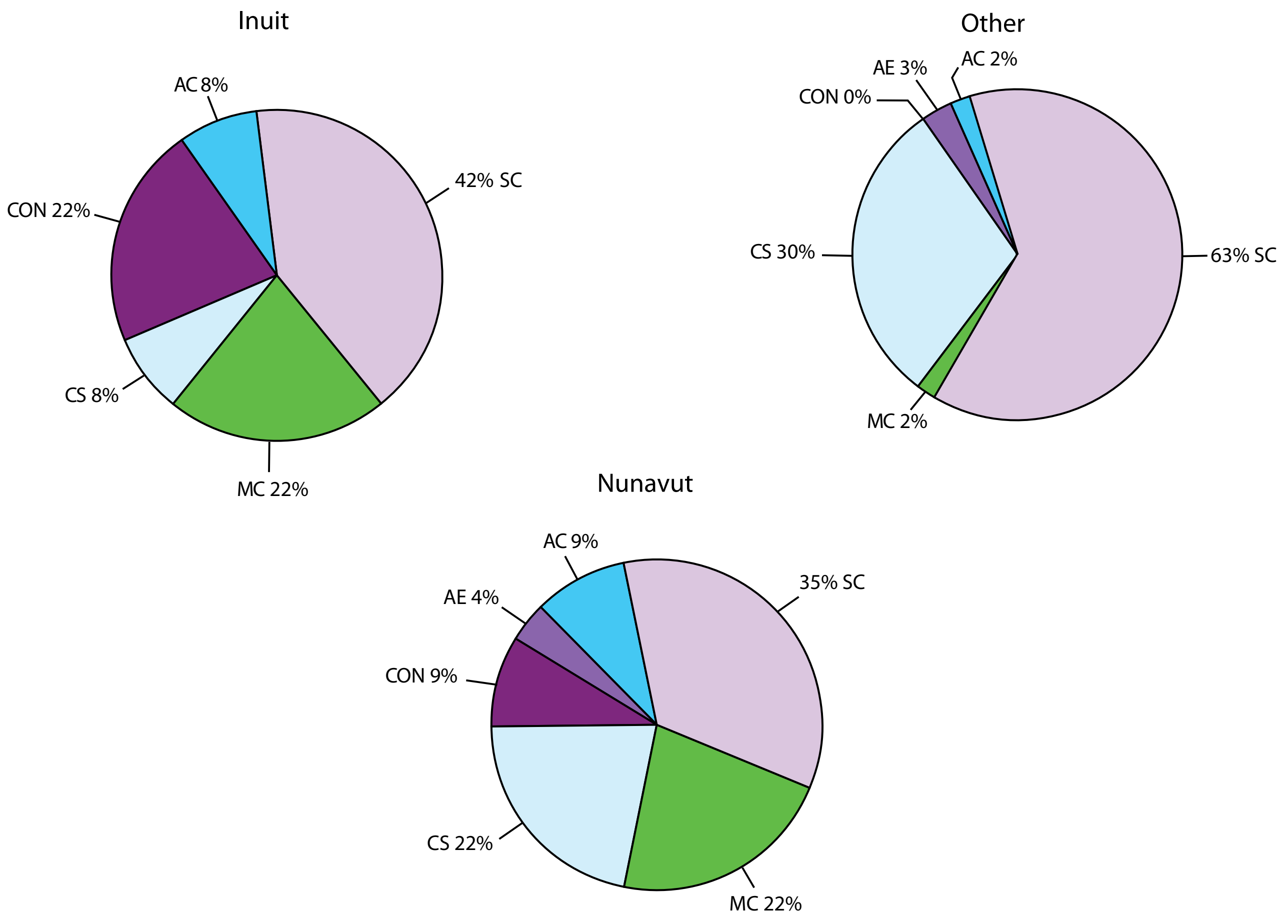
Over the past three years of this report, we see that the percentage value of the total contracts in this range has increased by 10% for Inuit firms. This represents an actual dollar increase of 39%. During this same time period, we see a decrease of 8% for Nunavut firms. Other firms have decreased by 1% in relative market share.

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

**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**
**2015/16**




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

## 2015/16

| Type | Awarded | | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|---|
| Air Charter (AC) | 13 | 3% | 6 | 46% | 2 | 15% | 5 | 38% |
| Architectural/Engineering (AE) | 12 | 3 | - | - | 1 | 8 | 11 | 92 |
| Construction (CON) | 20 | 5 | 17 | 85 | 2 | 10 | 1 | 5 |
| Consulting Services (CS) | 106 | 25 | 6 | 6 | 5 | 5 | 95 | 90 |
| Minor Construction or Maintenance Services (MC) | 27 | 6 | 17 | 63 | 5 | 19 | 5 | 19 |
| Service Contracts (SC) | 240 | 57 | 33 | 14 | 8 | 3 | 199 | 83 |
| Total | 418 | 100% | 79 | 19% | 23 | 6% | 316 | 76% |

## 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 (CON) | 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% |

In 2014/15, out of the 70 contracts awarded to Inuit firms, 81% 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 consistent over the past four years of this report.

For the fiscal year 2015/16, as a percentage of total contracts, the volume of contracts to Inuit contractors decreased by 1% and the volume to Nunavut firms increased by 3%. The volume of contracts to Other decreased by 1%.

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 consistent at 6%. The volume of contracts to “Other” decreased by 9%.

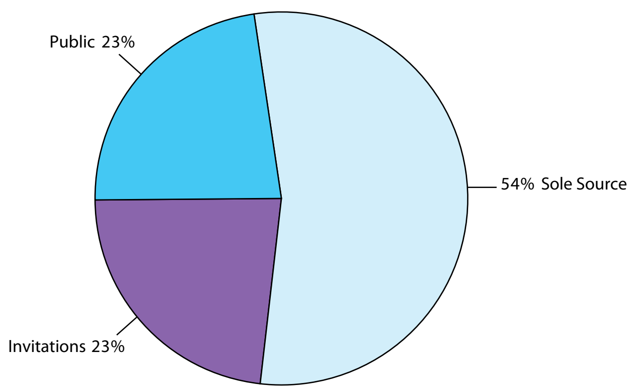
We can see a pattern for the volume of contracts in this category. Inuit firms win an average 20% of these contracts, Nunavut firms win 6% of these contracts and Other firms win 74% of the volume of these contracts. See chart below that outlines the percentage share for the past 6 years.

| Year | Inuit | Nunavut | Other |
|---|---|---|---|
| 2015/16 | 19% | 6% | 76% |
| 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**
**2015/16**




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

| Year | Awarded | Public | | Invitations | | Sole Source | |
|---|---|---|---|---|---|---|---|
| 2015/16 | $13,319 | $3,043 | 23% | $3,070 | 23% | $7,206 | 54% |
| 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 |

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 2015/16, of a total contract value of $13,319,000 (rounded to the nearest thousand) $6,113,000 resulted from Public or Invitational Requests for Tenders or Proposals (46%) and $7,206,000 resulted from Sole Sources (54%).

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%).

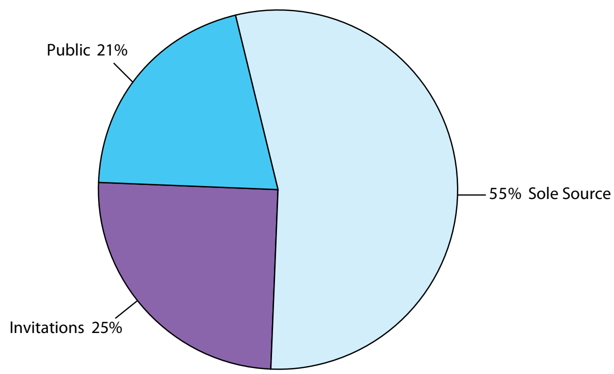
Under GN procurement policies, Public Tenders and Requests for Proposals (RFP's) are required for all goods and services over $25,000 and Construction over $100,000. Invitational Tenders are completed for goods and services over $5,000 but less than $25,000. This also includes Architectural/Engineering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

In the category of contracts between $25,000 and $100,000, we see that over the last three years, the value of proportionate share of Sole Source contracts has increased by 1%. In real dollars this represents a 17.5% increase.

**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**
**2015/16**




## Distribution of Contracts by Contract Method – Based on Volume

| Year | Awarded | Public | | Invitations | | Sole Source | |
|---|---|---|---|---|---|---|---|
| 2015/16 | 224 | 46 | 21% | 55 | 25% | 123 | 55% |
| 2014/15 | 216 | 45 | 21 | 57 | 26 | 114 | 53 |
| 2013/14 | 221 | 50 | 23 | 55 | 25 | 116 | 52 |

For the fiscal year 2015/16, the percentage volume of Sole Source contracts increased slightly by 2%. In real numbers that increase represented 9 contracts extra.

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.

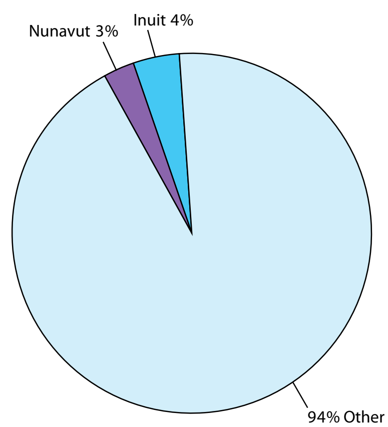
For the fiscal year 2013/14, the percentage share volume of Sole Source contracts decreased by 8% from 2012/13. This represents a real decrease in the number of Sole Sourced contracts by 17%.

A three year trend shows an increase of 7 contracts Sole Sourced or an increase of 3%.

**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**
**2015/16**




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

| Year | Awarded | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|
| 2015/16 | $7,205 | $262 | 4% | $191 | 3% | $6,752 | 94% |
| 2014/15 | 6,039 | 277 | 5 | 167 | 3 | 5,595 | 93 |
| 2013/14 | 6,133 | 187 | 3 | 164 | 3 | 5,782 | 94 |

In 2015/16, only 7% of the contract value Sole Sourced was to combine Inuit and Nunavut firms, (none to Nunavut firms that are not also Inuit) and 94% 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 2013/14, only 6% of the contract value sole sourced were awarded to Inuit/Nunavut firms, 94% was awarded to Other.

Clearly, the trend for the last 7 years has been that over 90% of the values 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 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 wellbeing 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:

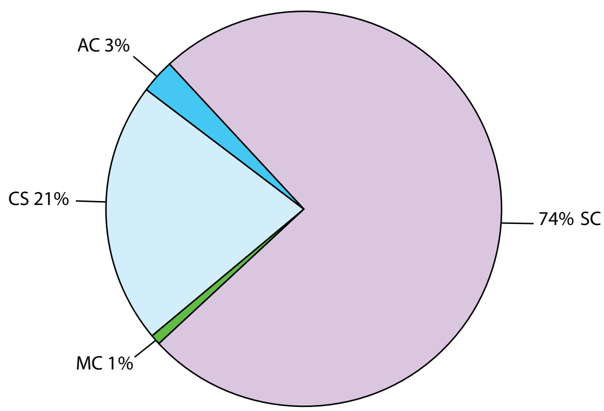
- Specialized Residential Care, Department of Health and the Department of Family Services
- Proprietary Training Courses, including NAC
- Contracts to Hamlets for various work such as Airport Operations
- Proprietary Software and Maintenance contracts for software
- Proprietary Software and Maintenance 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 Business – Based on Value**

**Government of Nunavut**
**Distribution of Sole Source Contracts > $25,000 to <= $100,000**
**By Status Category Awarded to Other Businesses**
**Based on Value**
**2015/16**




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

| Sole Source – Other Businesses | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Air Charter (AC) | $ 203 | 3% | $ - | -% | $ 68 | 1% |
| Architectural/Engineering (AE) | - | - | - | - | - | - |
| Construction (CON) | - | - | - | - | - | - |
| Consulting Services (CS) | 1,441 | 21 | 782 | 14 | 429 | 7 |
| Minor Construction or Maintenance Services (MC) | 82 | 1 | 34 | 1 | 98 | 2 |
| Service Contracts (SC) | 5,026 | 74 | 4,779 | 85 | 5,187 | 90 |
| Total | $6,752 | 99% | $5,595 | 100% | $5,782 | 100% |

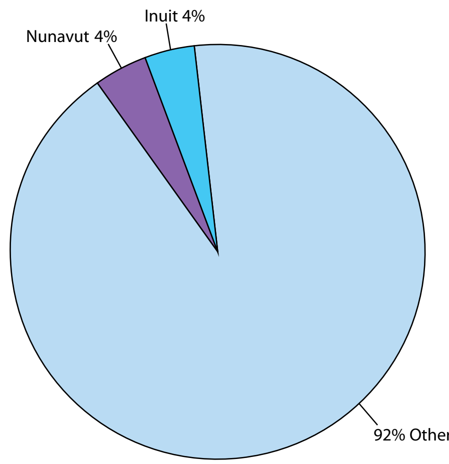
From the chart above and previous reports we see that Sole Source contracts that have been awarded to "Other" have been decreasing in value for the past five years. We have seen a 24% decrease in value from 2012/13 to 2014/15.

However in 2015/16, we see a 21% increase in the value of Sole Source contracts to Other. From the next chart we see that this represents 8 more contracts.

**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
2015/16**




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

| Year | Awarded | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|
| 2015/16 | 123 | 5 | 4% | 5 | 4% | 113 | 92% |
| 2014/15 | 114 | 6 | 5 | 3 | 3 | 105 | 92 |
| 2013/14 | 116 | 5 | 4 | 3 | 3 | 108 | 93 |

In 2015/16, of the 473 contracts in the >$25,000 to <=$100,000 dollar threshold category, 123 or 26% were the result of Sole Source awards. Of the 123 Sole Source awards, 92% went to "Other".

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.

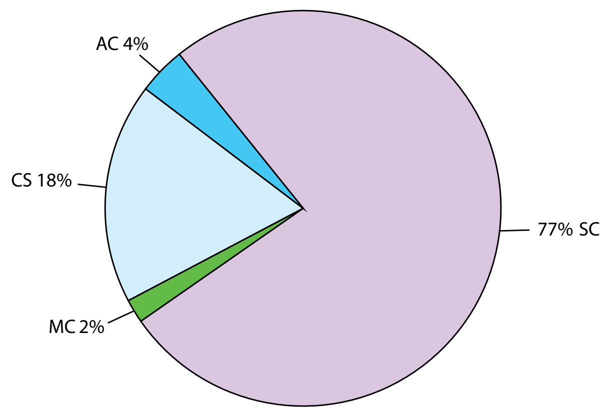
In 2013/14, of the total volume of 446 contracts in the >$25,000 to <=$100,000 dollar threshold category, 116 were the result of Sole Source awards (26%). This represents only 6% of the contracts awarded in 2013/14.

From the above table we see a slight increase of 8 contracts to "Other" in 2015/16. However, from previous years we saw a 6 year trend where the volume had continually decreased from 174 contracts in 2010/11.

**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**
**2015/16**




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

| Sole Source - Other Businesses | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Air Charter (AC) | 4 | 4% | - | -% | 2 | 2% |
| Architectural/Engineering (AE) | - | - | - | - | - | - |
| Construction (CON) | - | - | - | - | - | - |
| Consulting Services (CS) | 20 | 18 | 14 | 13 | 8 | 7 |
| Minor Construction or Maintenance Services (MC) | 2 | 2 | 1 | 1 | 1 | 1 |
| Service Contracts (SC) | 87 | 77 | 90 | 86 | 97 | 90 |
| Total | 113 | 101% | 105 | 100% | 108 | 100% |

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

In 2015/16, 97% of the volume of Sole Source awards to Other (non-registered) was for two Contract Types: Consulting Services and Service Contracts.

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

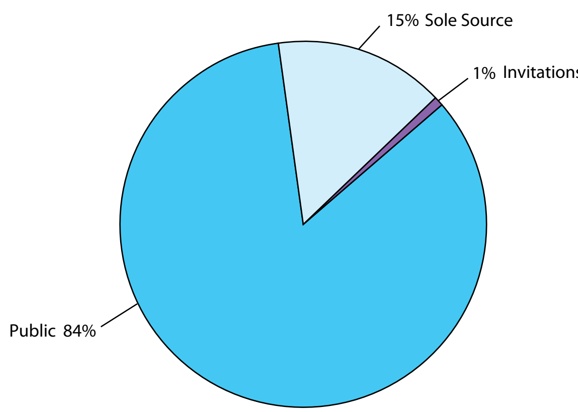
In 2013/14, 97% of Sole Source contracts to Other were Service Contracts and Consulting Services.

The ten 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
2015/16**




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

| Year | Awarded | Public | | Invitations | | Sole Source | |
|---|---|---|---|---|---|---|---|
| 2015/16 | $258,206 | $215,923 | 84% | $2,381 | 1% | $39,902 | 15% |
| 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 |

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 2015/16, of the total value of $258,206,000, Public or Invitational Requests for Tenders or Proposals totaled $218,304,000 or 85%; and Sole Sources totaled $39,902,000 or 15%.

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

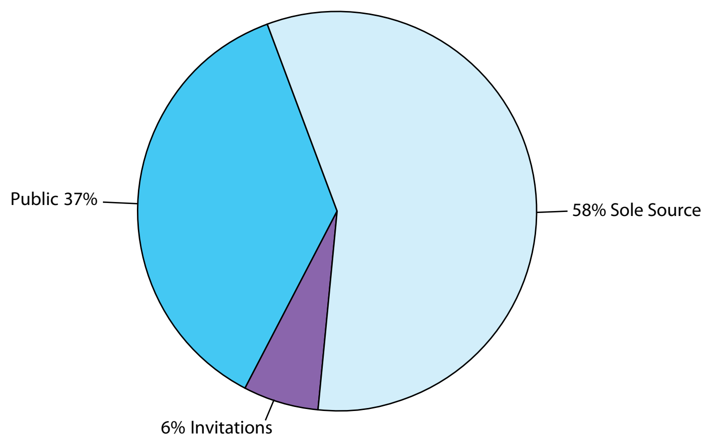
In 2013/14, of the total value of $272,249,000, Public or Invitational Requests for Tenders totaled $249,297,000 or 92%; and Sole Source totaled $22,952,000 or 8%.

For the three years covered by this report and from the table above we see that Sole Sources in this category have increased by 74% in real dollars for the year 2015/16.

**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**
**2015/16**




## Distribution of Contracts by Contract Method – Based on Volume

| Year | Awarded | Public | | Invitations | | Sole Source | |
|---|---|---|---|---|---|---|---|
| 2015/16 | 266 | 98 | 37% | 15 | 6% | 153 | 58% |
| 2014/15 | 202 | 85 | 42 | 15 | 7 | 102 | 50 |
| 2013/14 | 201 | 108 | 54 | 12 | 6 | 81 | 40 |

In 2015/16, of the 266 contracts awarded in the >$100,000 value threshold 113 or 42% resulted from a competitive process and 153 or 58% 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.

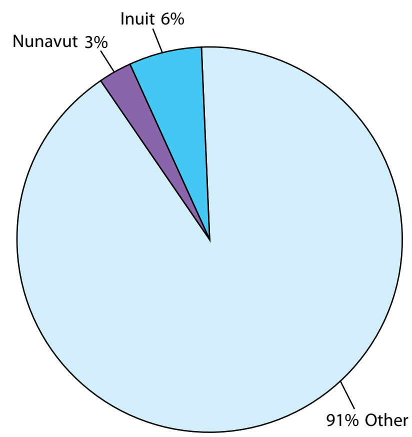
In 2013/14, of the 201 contracts awarded in the >$100,000 value threshold, 120 or 60% were the result of public and invited competitive procurement processes and 81 or 40% resulted from sole sourced contracts.

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 and a further 50% increase in 2015/16.

**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**
**2015/16**




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

| Year | Awarded | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|
| 2015/16 | $39,902 | $2,584 | 6% | $1,188 | 3% | $36,130 | 91% |
| 2014/15 | 35,764 | 3,889 | 11 | 150 | - | 31,725 | 89 |
| 2013/14 | 22,952 | 2,146 | 9 | 175 | 1 | 20,631 | 90 |

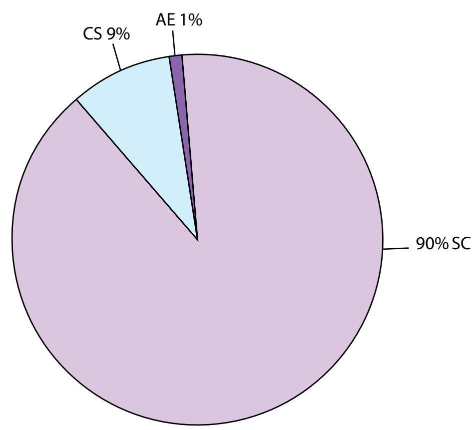
The pie chart and corresponding table above shows that Sole Sourced contracts of value over $100,000 are largely awarded to Other (Non-Inuit and Non-Nunavut contractors). This has been consistent over the nine years of this report.

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**
**2015/16**




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

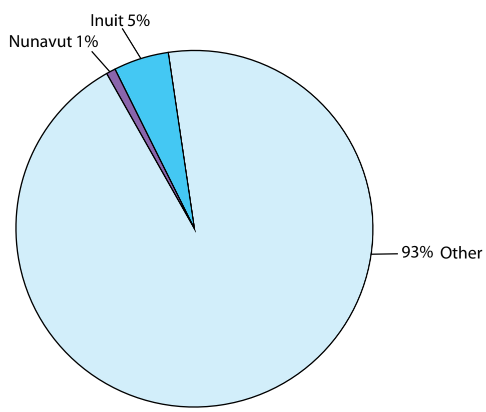
| Sole Source – Other Businesses | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Air Charter (AC) | $ - | -% | $ - | -% | $ 258 | 1% |
| Architectural/Engineering (AE) | 500 | 1 | 902 | 3 | 218 | 1 |
| Construction (CON) | - | - | - | - | - | - |
| Consulting Services (CS) | 3,140 | 9 | 1,200 | 4 | 1,275 | 6 |
| Minor Construction or Maintenance Services (MC) | - | - | - | - | 465 | 2 |
| Service Contracts (SC) | 32,490 | 90 | 29,623 | 93 | 18,414 | 89 |
| Total | $36,130 | 100% | $31,725 | 100% | $20,630 | 100% |

In 2015/16, of the $39,902,000 awarded as Sole Source contracts, $36,130,000 were awarded to Other. Of the contracts awarded to Other, 90% were for Service Contracts. This relatively high percentage has been consistent 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**
**2015/16**




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

| Year | Awarded | Inuit | | Nunavut | | Other | |
|---|---|---|---|---|---|---|---|
| 2015/16 | 153 | 8 | 5% | 2 | 1% | 143 | 93% |
| 2014/15 | 102 | 5 | 5 | 1 | 1 | 96 | 94 |
| 2013/14 | 81 | 8 | 10 | 1 | 1 | 72 | 89 |

From the table above, in 2015/16, out of the 153 Sole Source contracts awarded, 143 or 93% 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).

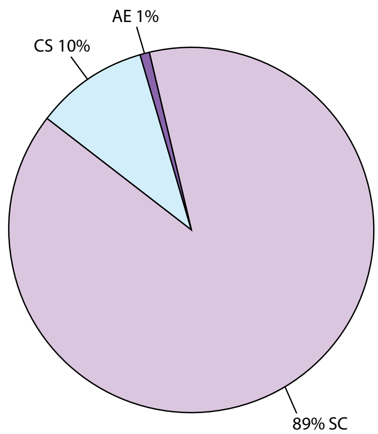
From the table above, in 2013/14, out of the 81 Sole Source contracts awarded, 72 or 89% were awarded to Other businesses (not registered as Inuit or Nunavut firms).

The average of 90-95% proportionate share remains consistant over the last nine 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**
**2015/16**




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

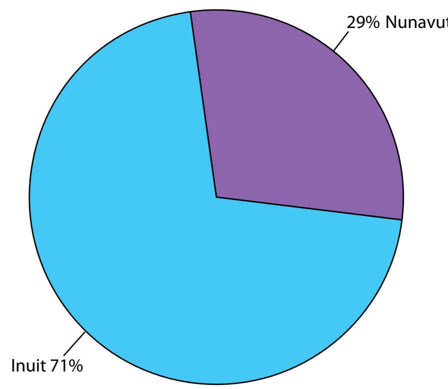
| Sole Source – Other Businesses | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Air Charter (AC) | - | -% | - | -% | 2 | 3% |
| Architectural/Engineering (AE) | 1 | 1 | 1 | 1 | 1 | 1 |
| Construction (CON) | - | - | - | - | - | - |
| Consulting Services (CS) | 15 | 10 | 7 | 7 | 4 | 6 |
| Minor Construction or Maintenance Services (MC) | - | - | - | - | 1 | 1 |
| Service Contracts (SC) | 127 | 89 | 88 | 92 | 64 | 89 |
| Total | 143 | 100% | 96 | 100% | 72 | 100% |

From the chart above and over the last nine 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**
**2015/16**




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

| Type | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Inuit | $3,764 | 71% | $4,260 | 91% | $2,648 | 81% |
| Nunavut | 1,564 | 29 | 442 | 9 | 626 | 19 |
| Total | $5,328 | 100% | $4,702 | 100% | $3,274 | 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 2015/16, of the $27,199,000 of contracts in the > $25,000 to < $100,000 dollar value range, excluding Purchase Orders, a total of $5,328,000 was awarded to Local Inuit and Nunavut businesses. Of this $5,328,000 value, $3,764,000 was awarded to Local Inuit firms (71%) and $1,564,000 (29%) was awarded to Local Nunavut firms.

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%).

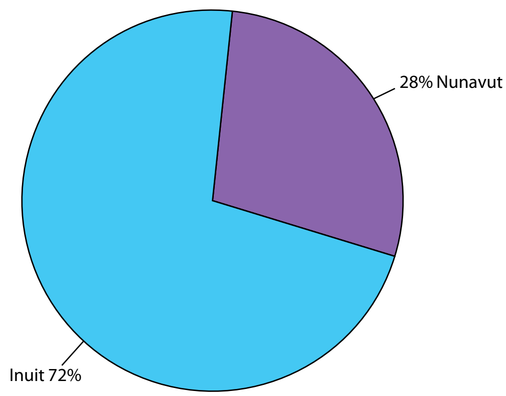
From this three year trend, we can see that Local Inuit firms receive a much larger majority of Local Awarded Contracts than do Nunavut firms. It is worthwhile to note that Inuit Firms who are registered under the NNI Policy as approved Nunavut Businesses are eligible for the full 21% of bid adjustments 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**
**2015/16**




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

| Type | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Inuit | 71 | 72% | 74 | 88% | 53 | 84% |
| Nunavut | 28 | 28 | 10 | 12 | 10 | 16 |
| Total | 99 | 100% | 84 | 100% | 63 | 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 2015/16, of the 473 contracts excluding Purchase Orders in this value range, 99 were awarded to Local Inuit and Nunavut businesses (21%). Of the 99 contracts, 71 were awarded to Local Inuit firms (72%) and 28 were awarded to Local Nunavut firms (28%).

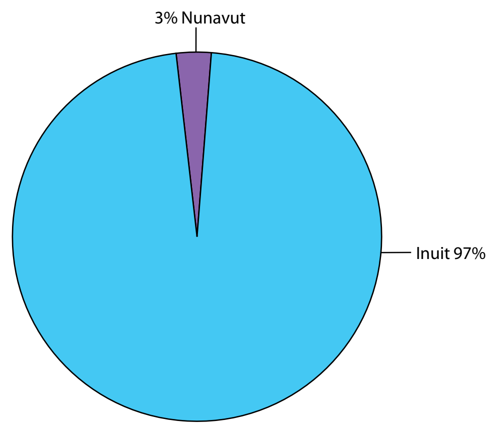
In 2014/15, of the 455 contracts excluding Purchase Orders in this value range, 84 were awarded to Local Inuit and Nunavut businesses (18%). Of the 84 contracts, 74 were awarded to Local Inuit firms (88%) and 12 were awarded to Local firms (10%).

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.

**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**
**2015/16**




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

| Type | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Inuit | $146,679 | 97% | $20,135 | 86% | $17,818 | 48% |
| Nunavut | 4,576 | 3 | 3,291 | 14 | 19,139 | 52 |
| Total | $151,255 | 100% | $23,426 | 100% | $36,957 | 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 2015/16, of the $335,771,000 of contracts in this category $151,255,000 was awarded to Local Inuit or Nunavut firms (45%). Of the $151,255,000, 97% or $146,679,000 was awarded to Local Inuit firms, and 3% or $4,576,000 was awarded to Local Nunavut businesses.

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%).

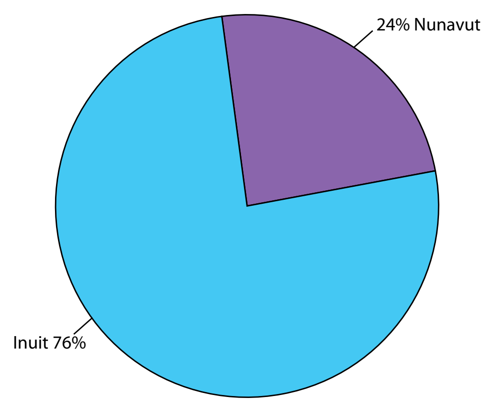
In 2013/14, of the $300,608,000 of contracts above the > $100,000 dollar value threshold, excluding Purchase Orders, $36,957,000 or 12% was awarded to Local Inuit and Nunavut businesses. Of this amount 48% or $17,818,000 was awarded to Inuit firms and 52% or $19,139,000 was awarded to Nunavut firms.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

A ten 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 than $100,000 excluding goods.**

**Government of Nunavut**
**Contracts Awarded to Local Business – Based on Volume**
**For Contracts > $100,000**
**Excluding Goods**
**2015/16**




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

| Type | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Inuit | 54 | 76% | 38 | 83% | 35 | 69% |
| Nunavut | 17 | 24 | 8 | 17 | 16 | 31 |
| Total | 71 | 100% | 46 | 100% | 51 | 100% |

In 2015/16, of the 418 awarded contracts in the > $100,000 dollar value range, excluding purchase orders, 54 were awarded to Local Inuit and Nunavut businesses (76%). This shows a significant increase in volume (42%) from 2014/15.

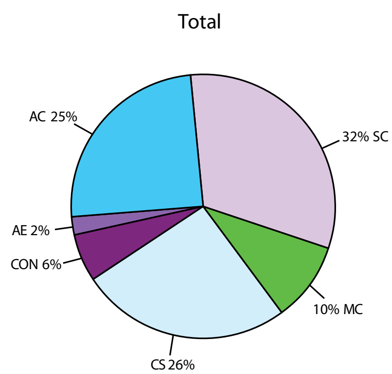
In 2014/15, of the 357 awarded contracts in the > $100,000 dollar value range, excluding Purchase Orders, 46 were awarded to Local Inuit and Nunavut Businesses (17%). Of the 46 contracts, 38 were awarded to Local Inuit firms (83%) and 8 were awarded to Local Nunavut businesses (17%).

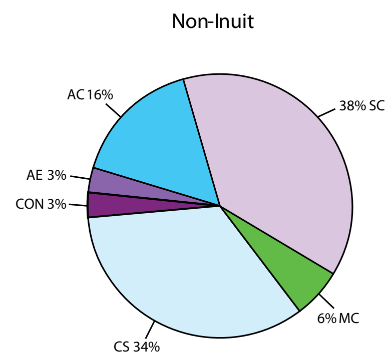
In 2013/14, of the 324 awarded contracts in the > $100,000 dollar value range, excluding Purchase Orders, 51 or 16% were awarded to Inuit and Nunavut businesses.

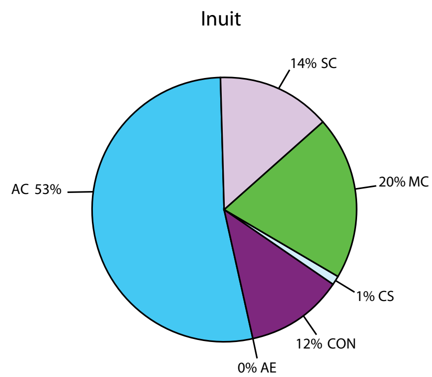
## 5. Submissions Received

**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**
**2015/16**




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

### 2015/16

| Type | Total | | Inuit | | Non-Inuit | |
|---|---|---|---|---|---|---|
| Air Charter (AC) | 361 | 25% | 195 | 54% | 166 | 46% |
| Architectural/Engineering (AE) | 32 | 2 | 1 | 3 | 31 | 97 |
| Construction (CON) | 81 | 6 | 45 | 56 | 36 | 44 |
| Consulting Services (CS) | 366 | 26 | 5 | 1 | 361 | 99 |
| Minor Construction or Maintenance Services (MC) | 136 | 10 | 72 | 53 | 64 | 47 |
| Service Contracts (SC) | 451 | 32 | 51 | 11 | 400 | 89 |
| Total | 1,427 | 100% | 369 | 26% | 1,058 | 74% |

### 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% |

Over the three years covered by the chart above, on average, 74% of submissions are from non-Inuit firms and 26% 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.

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.

## 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.**

| | 2015/16 | | | 2014/15 | | | 2013/14 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Avg % Required | Avg % Bid | Avg % Achieved | Avg % Required | Avg % Bid | Avg % Achieved | Avg % Required | Avg % Bid | Avg % Achieved |
| Across Nunavut | 41% | 51% | 53% | 36% | 46% | 39% | 45% | 55% | 56% |
| Baffin | 40 | 53 | 54 | 25 | 31 | 33 | 25 | 31 | 33 |
| Kitikmeot | 30 | 30 | 33 | 30 | 47 | 47 | 22 | 28 | 23 |
| Kivalliq | 45 | 50 | 54 | 43 | 55 | 42 | 59 | 72 | 73 |

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.**

| | 2015/16 | | | 2014/15 | | | 2013/14 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Avg % Required | Avg % Bid | Avg % Achieved | Avg % Required | Avg % Bid | Avg % Achieved | Avg % Required | Avg % Bid | Avg % Achieved |
| Across Nunavut | 29% | 27% | 37% | 23% | 23% | 28% | 30% | 33% | 34% |
| Baffin | 26 | 23 | 35 | 10 | 10 | 18 | 28 | 26 | 32 |
| Kitikmeot | 30 | 34 | 39 | 27 | 23 | 37 | 30 | 49 | 41 |
| Kivalliq | 45 | 45 | 48 | 30 | 30 | 30 | 33 | 38 | 36 |

For Major Works the average required rate has fluctuated over the last three years. The average percentage achieved in Nunavut has also been fluctuating. Nevertheless, the values provided for Major Construction Contracts across Nunavut over the last three fiscal years indicate that contractors on average are able to exceed the minimum requirements.

For the years 2013/14 and 2014/15 contractors in the Baffin and Kivalliq Regions on average were able to exceed the minimum requirements, both in their bids and at contract performance. This trend also holds true for 2015/16 with the exception of the Kivalliq Region reporting the percentage required and percent bid 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.**

| | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| | Bonuses | Penalties | Bonuses | Penalties | Bonuses | Penalties |
| Across Nunavut | $1,006,247 | $21,595 | $402,810 | $26,968 | $330,370 | $154,166 |
| Baffin | $ 413,290 | $17,958 | $160,488 | $ 7,376 | $148,808 | $127,443 |
| Kitikmeot | $ 346,547 | - | $242,322 | $19,592 | $ 52,065 | - |
| Kivalliq | $ 246,410 | $ 3,637 | - | - | $129,497 | $ 26,723 |

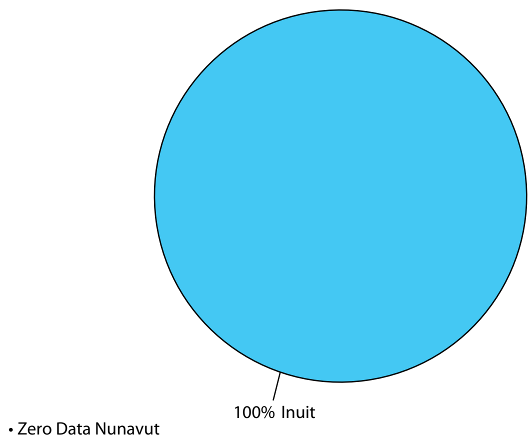
Bonuses are paid or penalties are levied when contractors exceed or do not achieve the contracted Inuit Labour requirement.

The above figures reflect Bonuses and Penalties paid-out or collected in each year of the respective fiscal years. In the fiscal years 2013/14 to 2015/16 the amount of bonuses exceeded the penalties with the exception of the Kitikmeot Region reporting no penalties and 2015/16. This indicates contractors in this region can achieve higher levels than required.

## 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**
**2015/16**




### Distribution of NNI Awarded Contracts – Based on Value

| Contract Excluding Goods and Sole Source | 2015/16 | | 2014/15 | | 2013/14 | |
|---|---|---|---|---|---|---|
| Inuit | $3,931,948 | 100% | $5,662,775 | 100% | $36,260 | 100% |
| Total | $3,931,948 | 100% | $5,662,775 | 100% | $36,260 | 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 2015/16, for contracts not including goods, $3,931,948 total value of contracts were impacted by the NNI Policy Application. This represents 18 contracts. Of the 18 contracts, 15 were for Air Charters.

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.

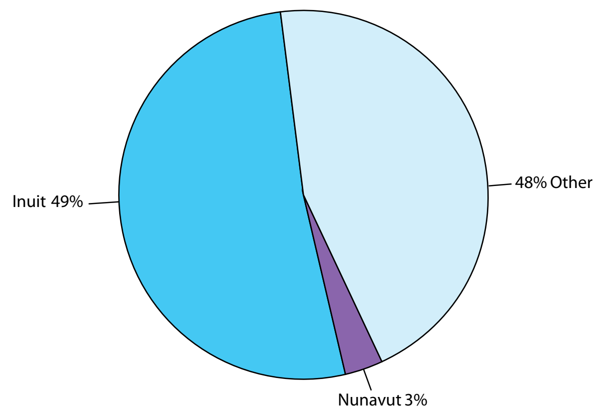
For a more complete analysis of contracts awarded due to the application of the NNI Policy, refer to the "General Observations" section in the front of this report.

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**
**2015/16**




| | 2015/16 | | 2014/15 | |
|---|---|---|---|---|
| Inuit | $196,375 | 49% | $92,682 | 32% |
| Nunavut | 11,241 | 3 | 11,487 | 4 |
| Other | 191,548 | 48 | 184,775 | 64 |
| Total | $399,164 | 100% | $288,944 | 100% |

The value of all contracts increased by 38% for the 2015/16 fiscal year.

The value of contracts to Inuit increased by 112%

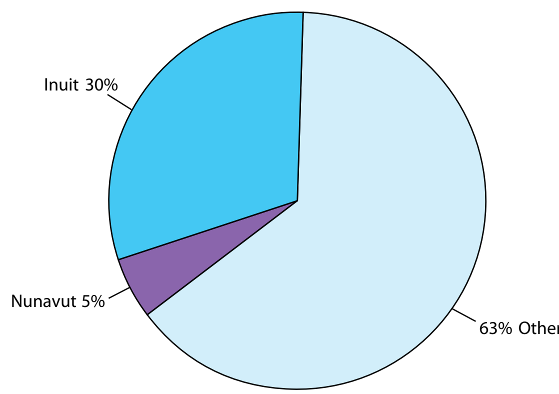
The value of contracts to Nunavut decreased by 2%; and

The value of contracts to Other increased by 4%.

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

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

**Government of Nunavut**
**Comparison to Prior Year Based on Contract Volume**
**2015/16**




| | 2015/16 | | 2014/15 | |
|---|---|---|---|---|
| Inuit | 623 | 30% | 567 | 30% |
| Nunavut | 108 | 5 | 65 | 3 |
| Other | 1,247 | 63 | 1,370 | 68 |
| Total | 1,978 | 98% | 2,002 | 101% |

The overall volume of contracts decreased by 1% in 2015/16.

The volume of contracts to Inuit increased by 10%;

The volume of contracts to Nunavut increased by 66%;

The volume of contracts to Other decreased by 9%.

# 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 |