



GOVERNMENT OF NUNAVUT

Contract Activity Report

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Nunalingni Kavamatkunnilu Pivikhaqautikkut

Department of Community and Government Services

Ministère des Services communautaires et gouvernementaux

Fiscal Year 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:

	<u>2015/2016</u>	<u>2014/2015</u>	<u>2013/2014</u>
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.

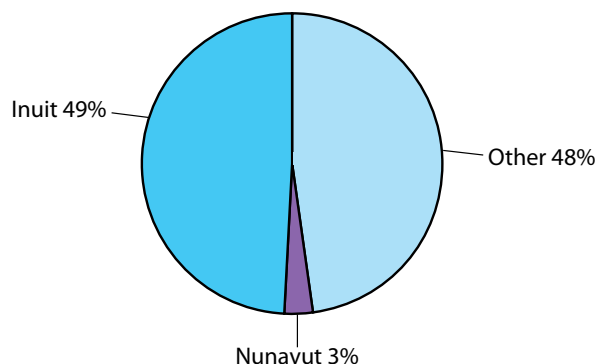
Summary

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)

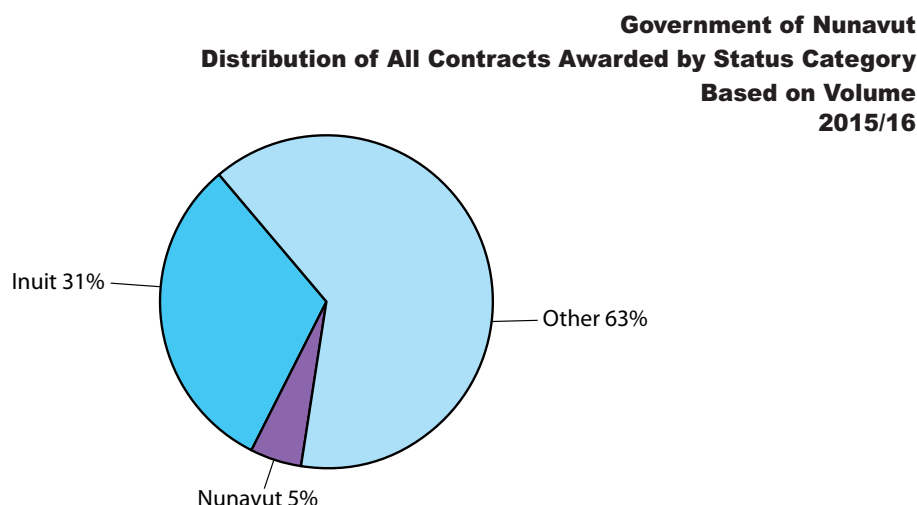
Year	Awarded		Inuit		Nunavut		Other	
2015/16	\$399,164	100%	\$196,375	49%	\$11,241	3%	\$191,548	48%
2014/15	\$288,944	100%	\$92,682	32%	\$11,487	4%	\$184,775	64%
2013/14	\$351,989	100%	\$140,119	40%	\$36,187	10%	\$175,683	50%

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.



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%.

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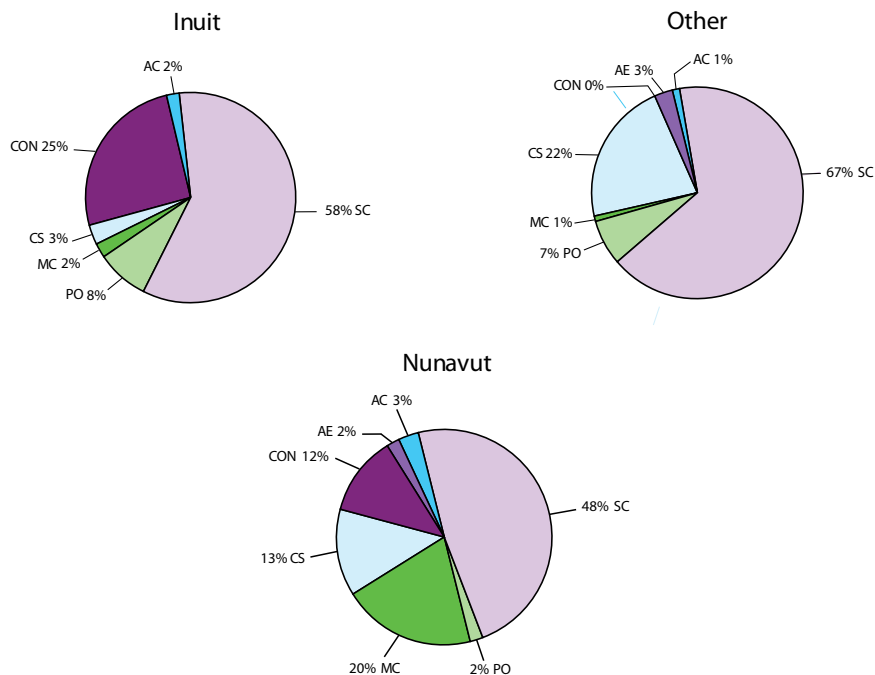
Contract Activity Report

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%.

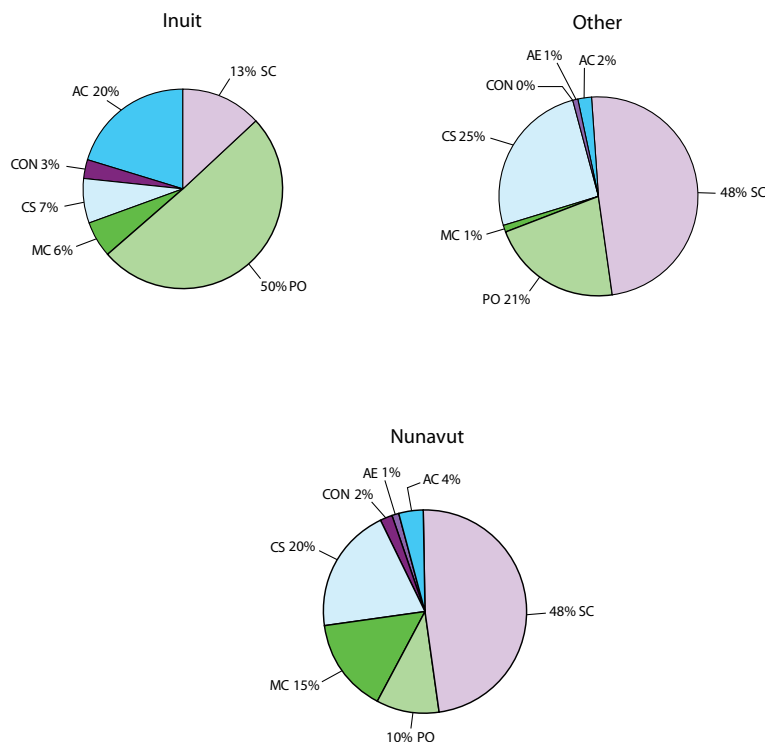
Over the last four reporting years, we see that the combined Inuit and Nunavut firms have on average won a majority of the value of Major Construction and a majority of the volume.

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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	
	Count	%	Count	%	Count	%	Count	%
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

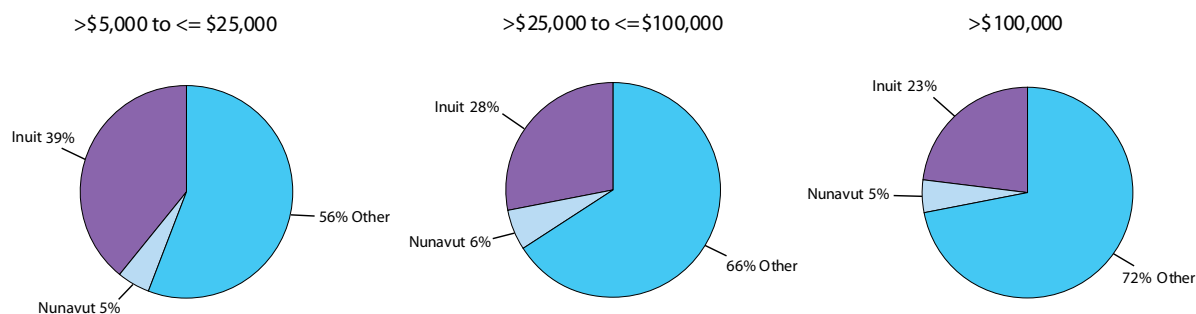
Contracts >\$25,000 to <=\$100,000

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:

	<u>Inuit/Nunavut</u>	<u>Other</u>
>\$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%

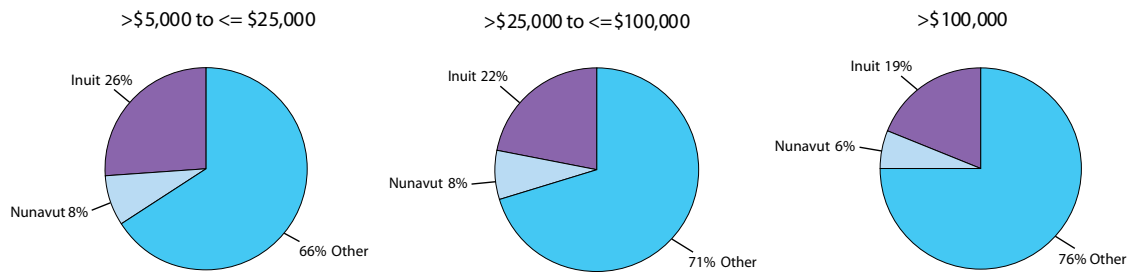
Value of Contracts Awarded (in thousands)

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.

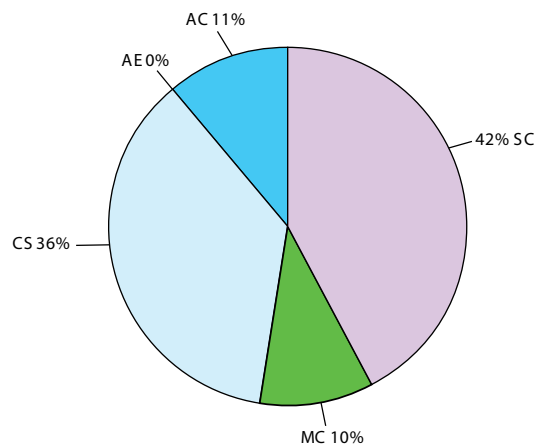
Generally, Inuit and Nunavut firms (especially Inuit firms) win a greater percentage share of contracts when goods are included in the contract statistics therefore, we can conclude that Inuit and Nunavut firms are able to compete better for goods contracts rather than Consulting contracts.

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.

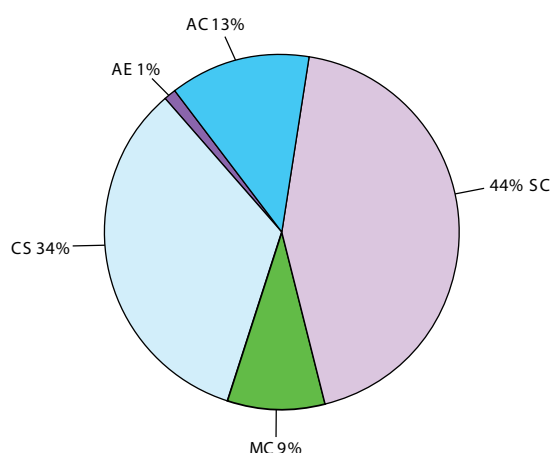
We can make some general conclusions over the last 7 years for contracts valued from \$25,000 to \$100,000.

- 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.

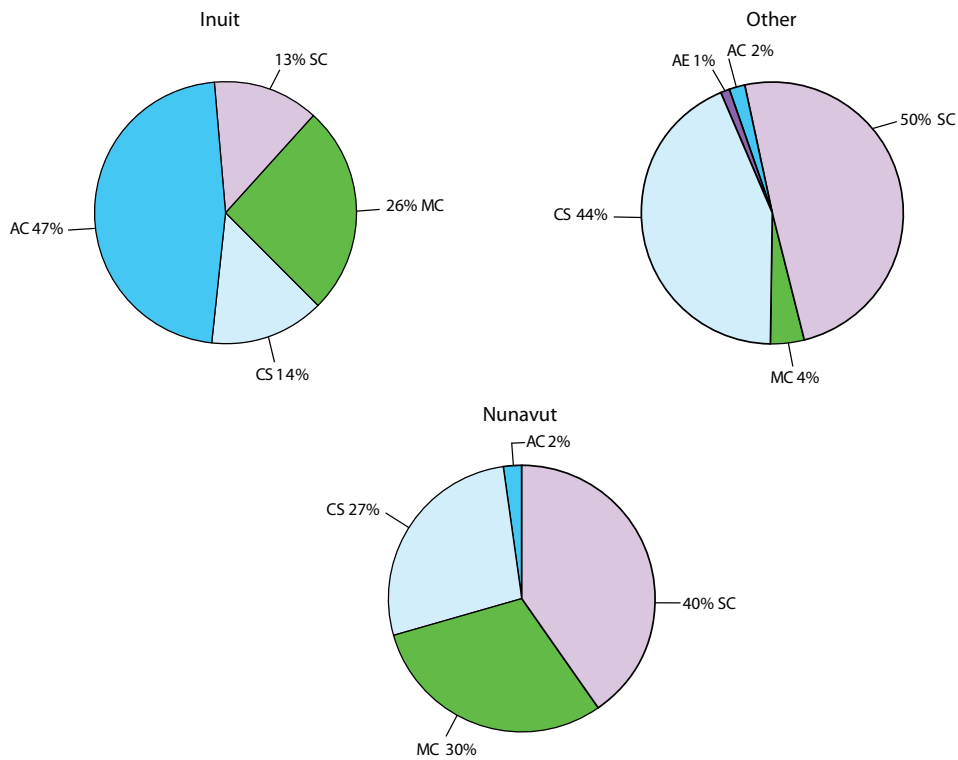
We can make some general conclusions over the last seven years for contracts from \$25,000 to \$100,000:

- 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%.

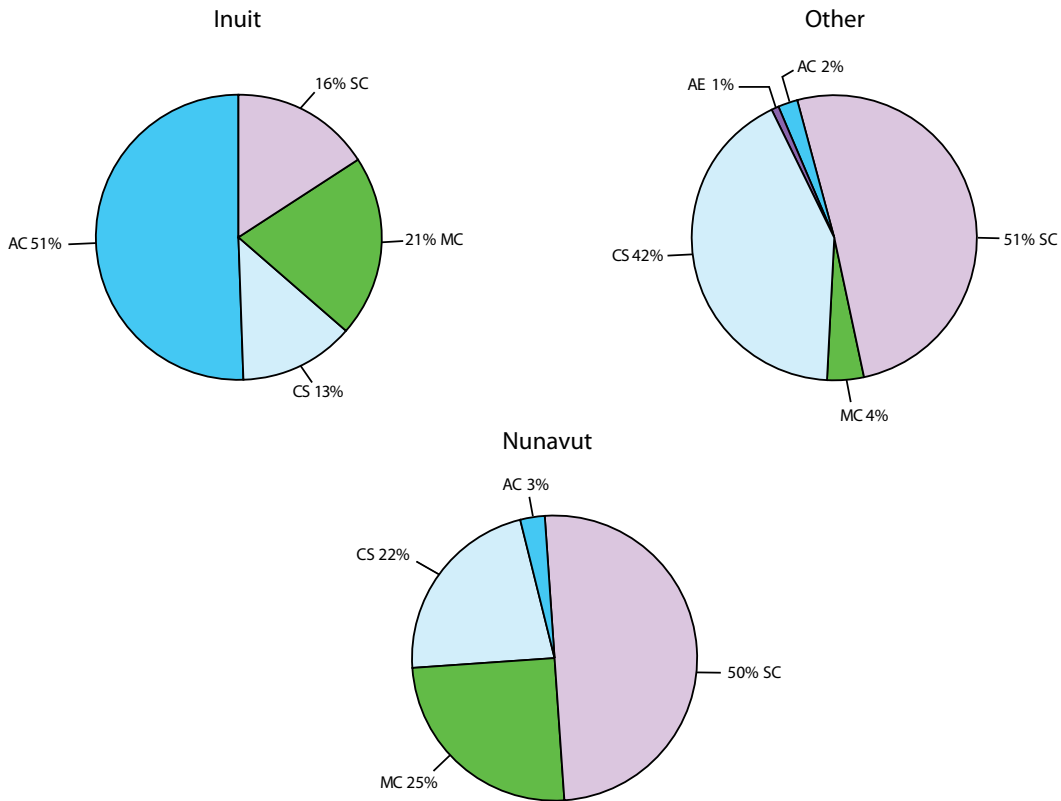
A three year average shows the following proportionate share.

- 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.

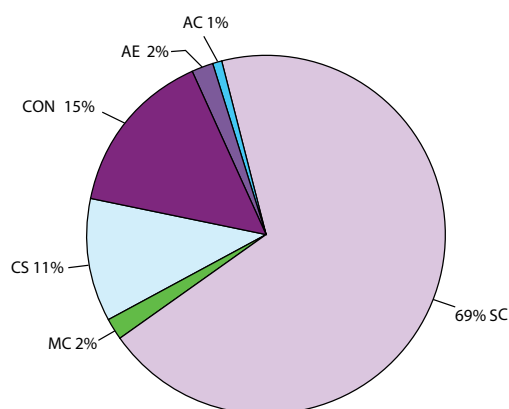
The proportionate share of contracts to Nunavut firms averages around 6%.

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.

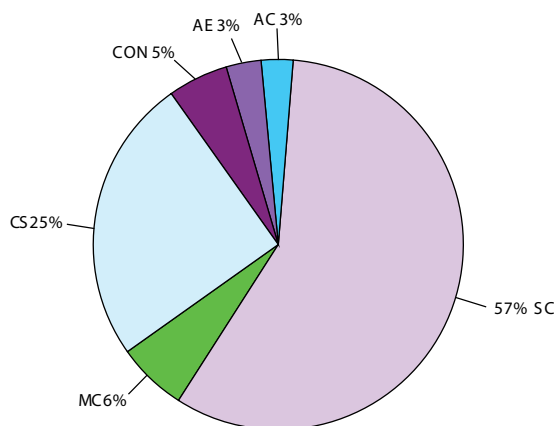
Over the last four years Architectural and Engineering, Consulting Services and Minor Construction have remained at consistent low levels of proportionate share of the total value of contracts greater than \$100,000.

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.

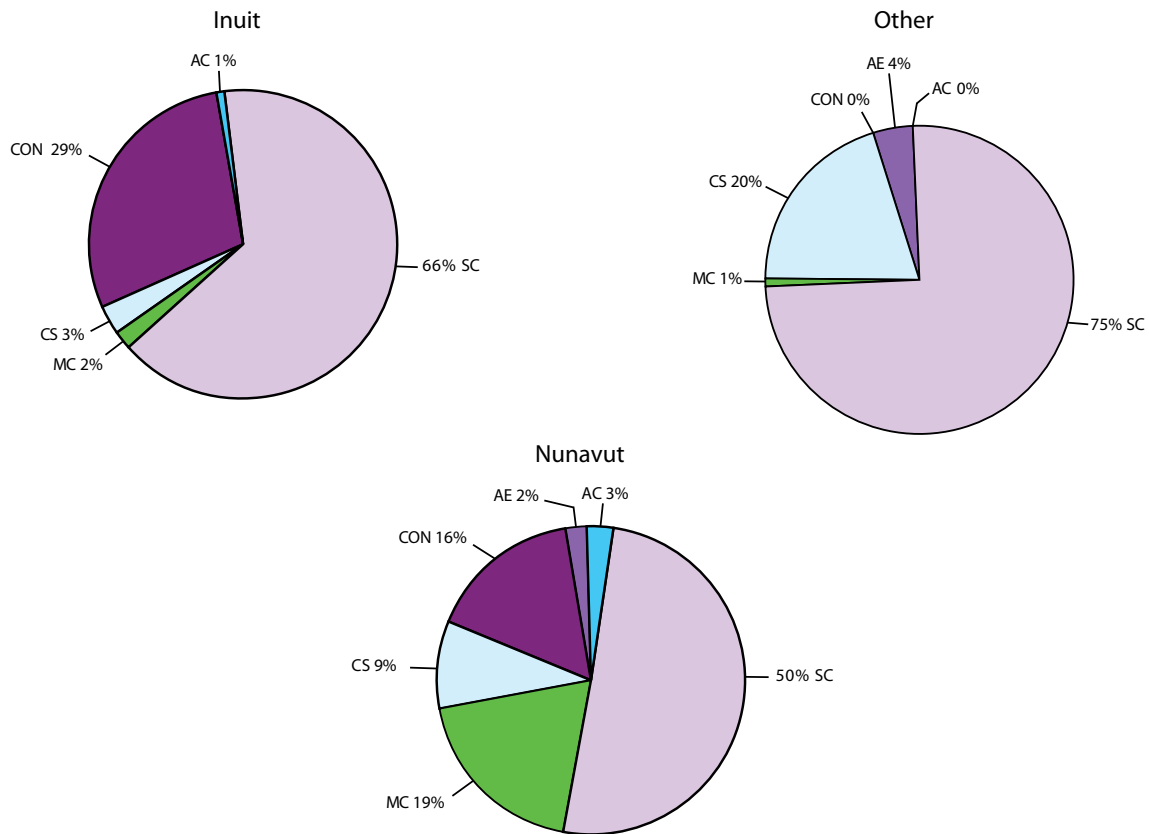
Over 80% of the combined volume and over 80% of the combined value of contracts in this value threshold are for Service Contracts and Consulting Services. Service Contracts have made up a majority of the volume in this category for the past eight years.

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.

GOVERNMENT OF NUNAVUT

Contract Activity Report

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.

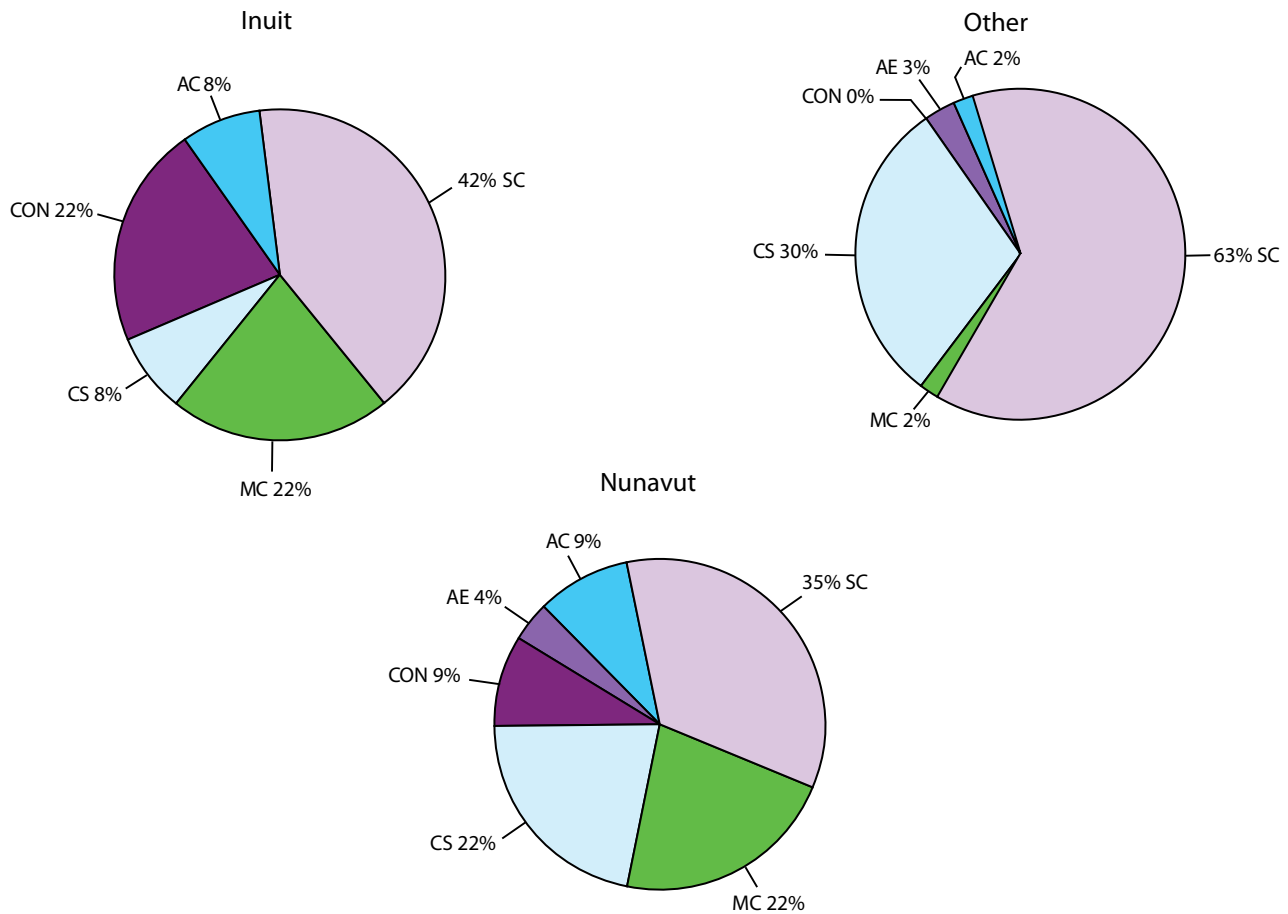
Over the past three years of this report, we see that the percentage value of the total contracts in this range has increased by 10% for Inuit firms. This represents an actual dollar increase of 39%. During this same time period, we see a decrease of 8% for Nunavut firms. Other firms have decreased by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

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Contract Activity Report

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%.

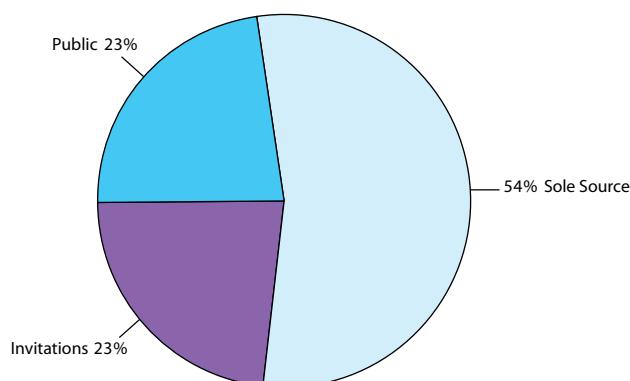
We can see a pattern for the volume of contracts in this category. Inuit firms win an average 20% of these contracts, Nunavut firms win 6% of these contracts and Other firms win 74% of the volume of these contracts. See chart below that outlines the percentage share for the past 6 years.

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%).

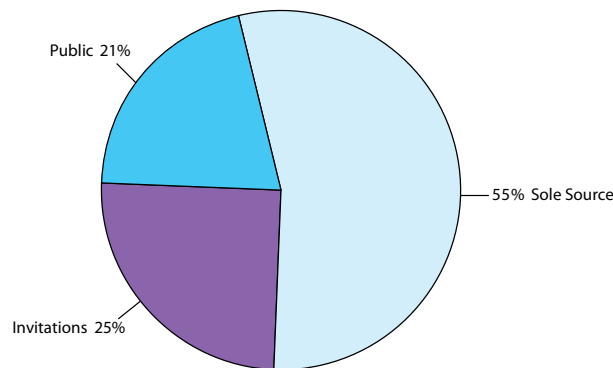
Under GN procurement policies, Public Tenders and Requests for Proposals (RFP's) are required for all goods and services over \$25,000 and Construction over \$100,000. Invitational Tenders are completed for goods and services over \$5,000 but less than \$25,000. This also includes Architectural/Engineering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

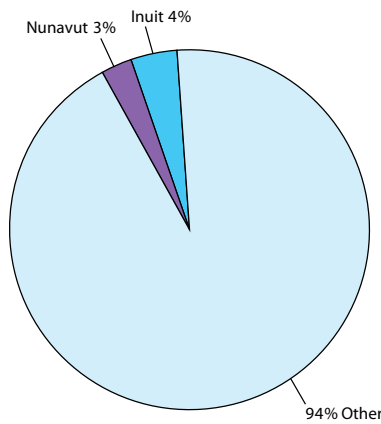
For the fiscal year 2013/14, the percentage share volume of Sole Source contracts decreased by 8% from 2012/13. This represents a real decrease in the number of Sole Sourced contracts by 17%.

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:

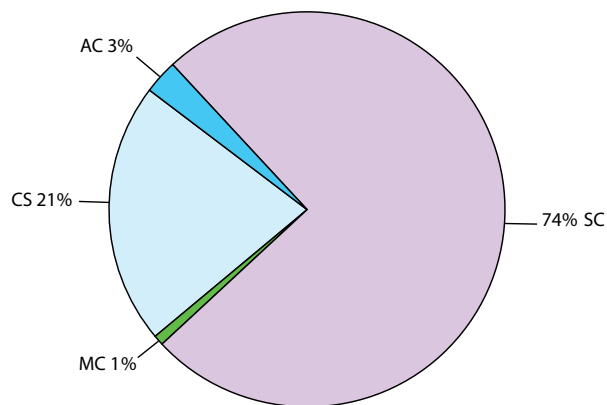
- Specialized Residential Care, Department of Health and the Department of Family Services
- Proprietary Training Courses, including NAC
- Contracts to Hamlets for various work such as Airport Operations
- Proprietary Software and Maintenance contracts for software
- Proprietary Software and Maintenance 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	
	Value (\$)	Percentage	Value (\$)	Percentage	Value (\$)	Percentage
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%

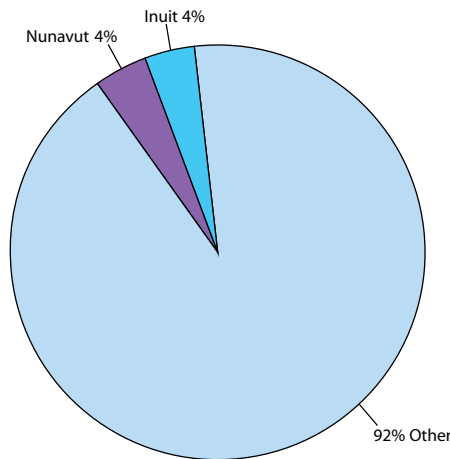
From the chart above and previous reports we see that Sole Source contracts that have been awarded to “Other” have been decreasing in value for the past five years. We have seen a 24% decrease in value from 2012/13 to 2014/15.

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.

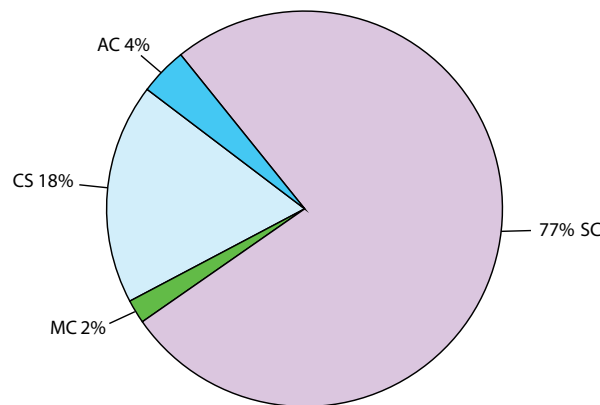
In 2013/14, of the total volume of 446 contracts in the >\$25,000 to <=\$100,000 dollar threshold category, 116 were the result of Sole Source awards (26%). This represents only 6% of the contracts awarded in 2013/14.

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.

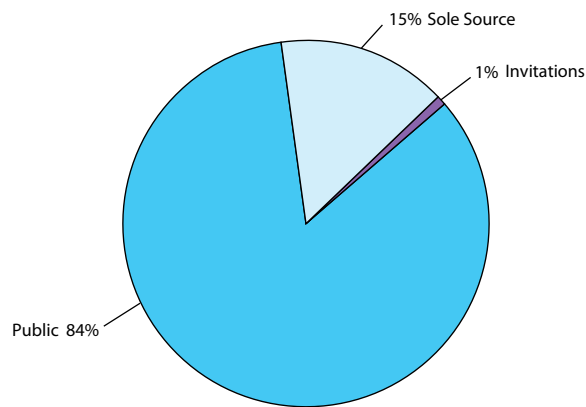
In 2013/14, 97% of Sole Source contracts to Other were Service Contracts and Consulting Services.

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	Public %	Invitations	Invitations %	Sole Source	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%.

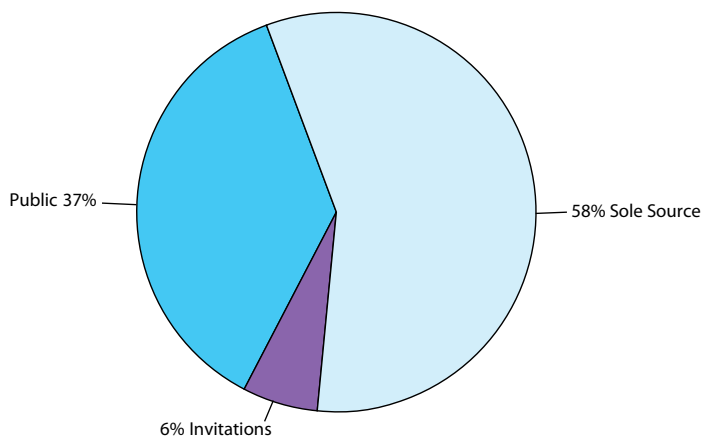
In 2013/14, of the total value of \$272,249,000, Public or Invitational Requests for Tenders totaled \$249,297,000 or 92%; and Sole Source totaled \$22,952,000 or 8%.

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	Public	Invitations	Invitations	Sole Source	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.

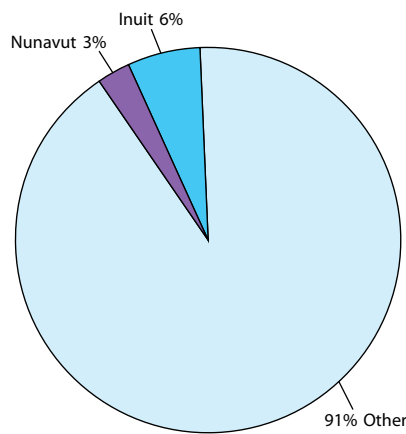
In 2013/14, of the 201 contracts awarded in the >\$100,000 value threshold, 120 or 60% were the result of public and invited competitive procurement processes and 81 or 40% resulted from sole sourced contracts.

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

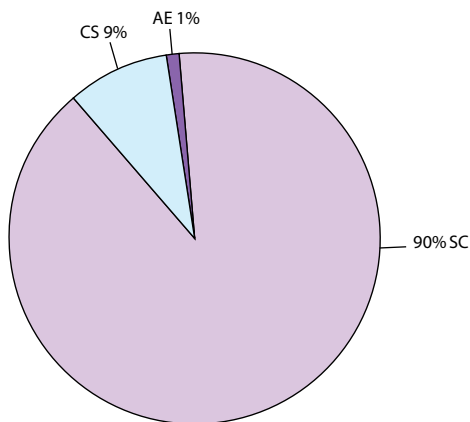
The pie chart and corresponding table above shows that Sole Sourced contracts of value over \$100,000 are largely awarded to Other (Non-Inuit and Non-Nunavut contractors). This has been consistent over the nine years of this report.

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)

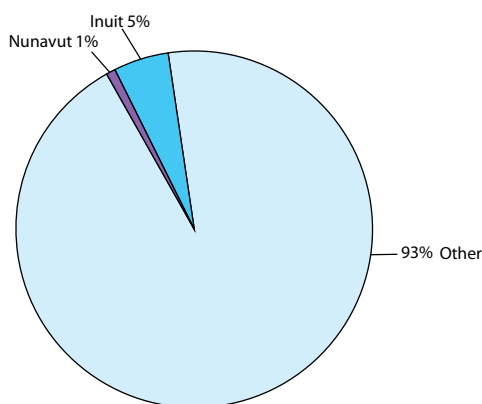
Sole Source – Other Businesses	2015/16		2014/15		2013/14	
Air Charter (AC)	\$ -	-%	\$ -	-%	\$ 258	1%
Architectural/Engineering (AE)	500	1	902	3	218	1
Construction (CON)	-	-	-	-	-	-
Consulting Services (CS)	3,140	9	1,200	4	1,275	6
Minor Construction or Maintenance Services (MC)	-	-	-	-	465	2
Service Contracts (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).

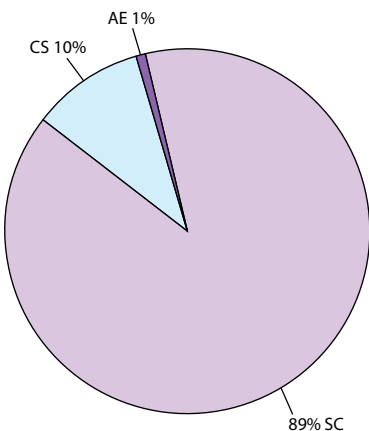
From the table above, in 2013/14, out of the 81 Sole Source contracts awarded, 72 or 89% were awarded to Other businesses (not registered as Inuit or Nunavut firms).

The average of 90-95% proportionate share remains consistent 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

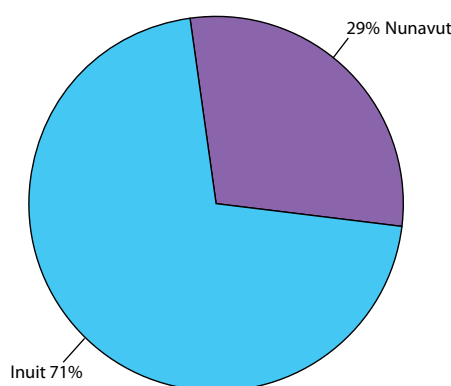
Sole Source – Other Businesses	2015/16		2014/15		2013/14	
	Count	Percentage	Count	Percentage	Count	Percentage
Air Charter (AC)	-	-%	-	-%	2	3%
Architectural/Engineering (AE)	1	1	1	1	1	1
Construction (CON)	-	-	-	-	-	-
Consulting Services (CS)	15	10	7	7	4	6
Minor Construction or Maintenance Services (MC)	-	-	-	-	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%).

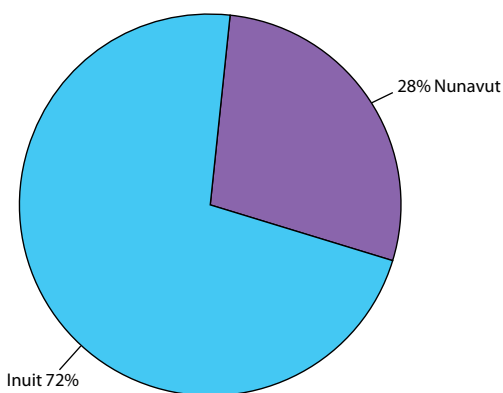
From this three year trend, we can see that Local Inuit firms receive a much larger majority of Local Awarded Contracts than do Nunavut firms. It is worthwhile to note that Inuit Firms who are registered under the NNI Policy as approved Nunavut Businesses are eligible for the full 21% of bid adjustments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

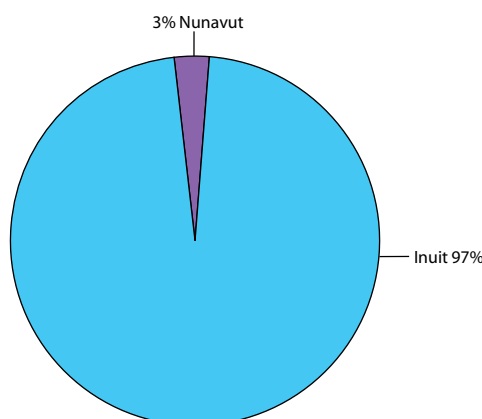
In 2014/15, of the 455 contracts excluding Purchase Orders in this value range, 84 were awarded to Local Inuit and Nunavut businesses (18%). Of the 84 contracts, 74 were awarded to Local Inuit firms (88%) and 12 were awarded to Local firms (10%).

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%).

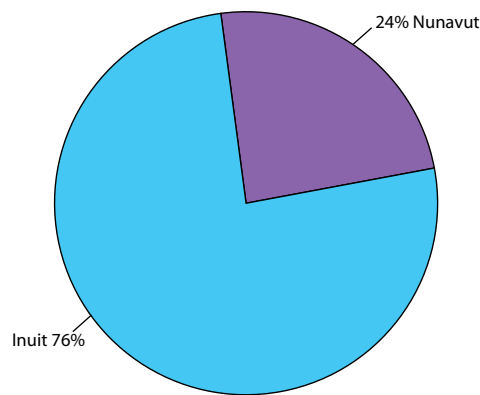
In 2013/14, of the \$300,608,000 of contracts above the > \$100,000 dollar value threshold, excluding Purchase Orders, \$36,957,000 or 12% was awarded to Local Inuit and Nunavut businesses. Of this amount 48% or \$17,818,000 was awarded to Inuit firms and 52% or \$19,139,000 was awarded to Nunavut firms.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

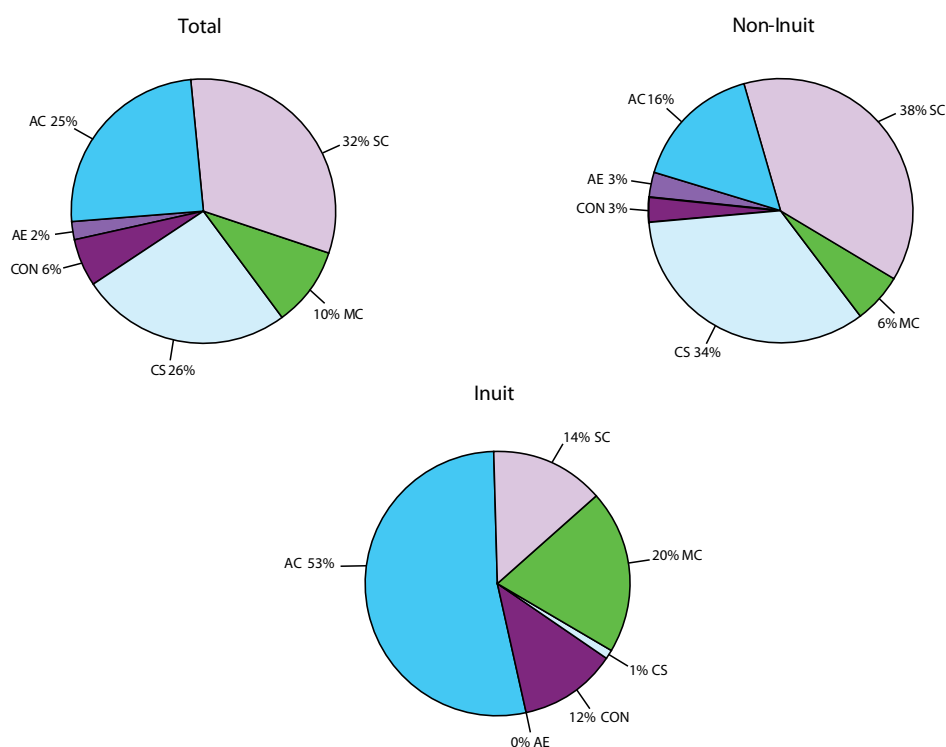
In 2014/15, of the 357 awarded contracts in the > \$100,000 dollar value range, excluding Purchase Orders, 46 were awarded to Local Inuit and Nunavut Businesses (17%). Of the 46 contracts, 38 were awarded to Local Inuit firms (83%) and 8 were awarded to Local Nunavut businesses (17%).

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	Total (%)	Inuit	Inuit (%)	Non-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

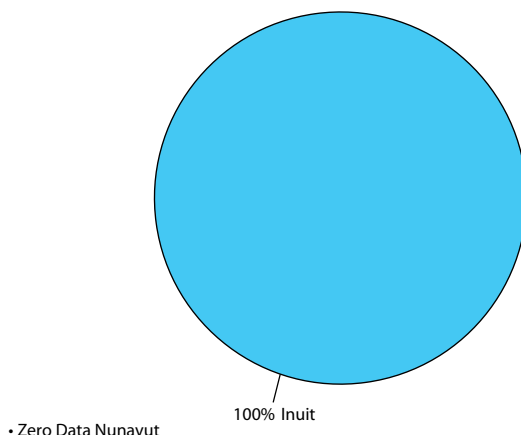
Bonuses are paid or penalties are levied when contractors exceed or do not achieve the contracted Inuit Labour requirement.

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.

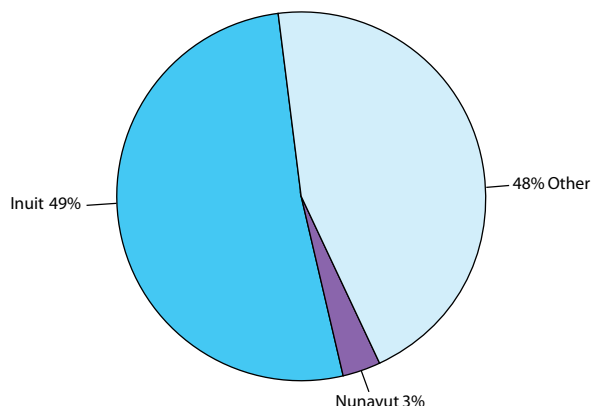
For a more complete analysis of contracts awarded due to the application of the NNI Policy, refer to the “General Observations” section in the front of this report.

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%

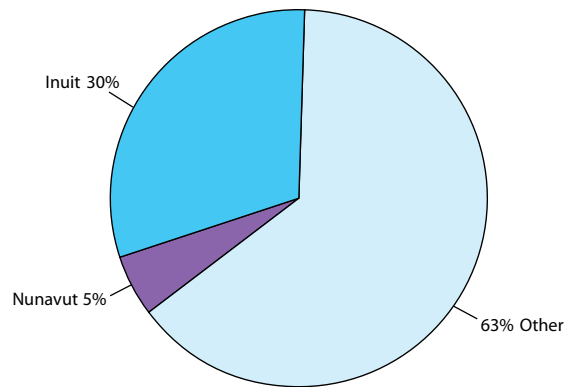
The value of contracts to Nunavut decreased by 2%; and

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