GOVERNMENT OF NUNAVUT

Contract Activity Report

Prepared by
ᓄᓇᓕᖕᓂ ᒐᕙᒪᒃᑯᓐᓂᓪᓗ ᐱᕕᒃᓴᖅᑎᒃᑯᑦ
Nunalingni Kavamatkunnilu Pivikhaqautikkut
Department of Community and Government Services
Ministère des Services communautaires et gouvernementaux

Fiscal Year 2021/22

Table of Contents

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 and to measure the GN's progress towards achieving the objectives of Article 24 of the NunavutAgreement

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 Chapter Ten of the GN Contract Procedures Manual. Information in this report is for GN contracting activity during the 2021/22 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 Regulations 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 replaced with the NNI Regulations on April 01, 2017.

Revised NNI Policy (Regulations)

The NNI Implementation Act and its Regulations came into force as of April 01, 2017. The new NNI Regulations increased the total possible bid adjustments from 21% to 25%. This included an increase from 7% to 15% for 100% owned Inuit Firms. The statistics contained in this report include the new NNI Regulations for the 2017/18 fiscal year. In February 2021, a bid adjustment limit of $500,000 was introduced that applied to Major Construction tenders and Design Build RFPs. This bid cap does not apply to the Labour portion of contracts.

General Observations

This Contract Activity Report (CAR) and the sister report; Procurement Activity Report (PAR) are composed of data from the same database. Contract information is reported from all departments of the Government of Nunavut. It is quite possible that as the contract information is entered into the database, that some human error will occur. The Department of Community and Government Services (CGS) makes best efforts to verify the accuracy and completeness of the dataset. We use various sources of external information (Freebalance, Requisition Log and Contract Management Listing) to verify the data. It is virtually impossible to assure 100% accuracy. However, even though it is a less than perfect system, we can rely on many repetitive, multi-year trends in the data analysis. This next section of the report will make a brief synopsys of the statistical results for the fiscal year 2021/22 and will also outline some of the multi-year trends.

- Statistically we now have seventeen (17) 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 30% from 2020/21 to 2021/22. The ratio of the value of contracts awarded to Nunavut Firms has increased by 1% of the total value and contracts awarded to Inuit Firms increased by 20%. Contracts to Other Firms decreased by 19%.
- The number of contracts awarded is down by 6.8% from 2020/21 to 2021/22. This represents an increase of 13% over the three years covered in this report.
- The number of contracts awarded to Inuit Firms decreased in proportionate share by 4%, and the number of contracts to Nunavut Businesses increased by 2% while the total number of contracts awarded to Other increased by 3%.
- Overall in 2020/21 we see that the combined volume of contracts to Inuit and Nunavut Firms has decreased by 2%, as a comparative ratio.
- The actual value of contracts to Inuit Firms more than doubled, the value to Nunavut Firms also doubled and the value to Other Firms decreased by 3%.
- 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.
- Since the fiscal year 2019/20, the volume of contracts has decreased by 6.8%. It is interesting to note that the volume of contracts awarded to Other Firms has decreased by 3% in comparison. The volume to combined Inuit and Nunavut decreased by 13%.
- The total value of contracts awarded by the GN increased by 30% from 2020/21 to 2021/22. The ratio of contracts awarded to Nunavut Firms has increased to 2% of the total value and contracts awarded to Inuit Firms decreased by 4%. Contracts to Other Firms increased by 3%.

Multi-Year Trends

- Over the last sixteen (16) years, since 2006/07, the volume of contracts has increased by 142% (from 1053 contracts to 2548 contracts). The volume awarded to “Other” has increased by 120%, the volume to Inuit has increased by 65% and Nunavut has increased by 90%.
- Over the twelve (12) years, since 2006/07 to 2017/18, generally the value and volume of contracts to “Other” Firms and “Inuit” has been increasing. The value to “Nunavut” Firms has been in decline. We know that many Firms are registered both as Inuit and Nunavut Firms. This trend shows that an increasing number of Firms are registering as both Inuit owned and Nunavut based and that fewer firms are registered as Nunavut based. For the purpose of the application of the NNI Regulations, registering for both allows higher bid adjustments. Note that in 2018/19, and 2019/20 the trend towards increasing volume and value to Nunavut Firms has changed. Both the value and volume for Nunavut Firms is up. In 2020/21 the volume and value to Nunavut Firms has decreased. During the 2021/22 fiscal year, we see that the value to Inuit Firms has increased significantly, 20% in percentage of total contract spend.
- The majority of the value and volume of contracts in the categories of Architectural and Engineering, Consulting Services and Service Contracts are awarded to Other (non-Inuit or Nunavut) Firms. Inuit and Nunavut Firms are more successful at winning contracts for Major and Minor Construction and Air Charters. This represents an fourteen (14) year trend.
- 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 eleven (11) years.
- The average distribution of the volume of contracts awarded according to value categories has been largely consistent over the past five (5) years.

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

- The 2021/22 statistics continue to show that Inuit and Nunavut Firms are generally more successful at winning contracts in the under $25,000 value threshold. As the value of the contracts increase, Inuit and Nunavut Firms tend to win a lower percentage of the contracts. This is largely due to the fact that the Procurement Policies of the GN specify that goods and services purchases with a value less than $25,000 are sourced locally, within Nunavut, where there are 3 or more vendors able to bid and provide the good or service.
- Inuit and Nunavut Firms are more successful at winning Air Charter and Minor Construction contracts in the >$25,000 and <$100,000 category. This is a fourteen (14) 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 fourteen (14) year trend.
- More Sole Source contracts of higher value are awarded to Other (non-Inuit and non-Nunavut) Firms. This is also a fourteen (14) year trend.
- In 2020/21, 17% of the bids received were from Inuit owned firms. Historically, these numbers had remained relatively consistant. As the overall volume of contracts has increased, the relative share of Inuit bids remained at approximately 20%, and 80% from non-Inuit Firms. However in 2021/22 we see that the volume of bids received from Inuit Firms has decreased to 14%. This is the lowest in the three years of this report.
- 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 thirteen (13) year trend.
- The number of Inuit Firms responding to Tender calls for Major Works Construction remains high for the three (3) years of this report. 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.
- Over the last sixteen (16) years, it can be generally stated that Inuit Firms win 30% volume of contracts, Nunavut Firms 5% and Other Firms 65%.

NNI Regulations Observations:

- In 2021/22, the number of contracts that have been awarded due to the NNI Bid Adjustments remains low at 1.5%. This is the lowest level in thirteen (13) years.
- A manual review of contracts including goods and contracts awarded due to the bid adjustments of the NNI Regulations indicate the following:

Fiscal Year	Number of Contracts	% of Total	Value of Contracts	Additional Cost to the GN
2021/22	39	1.5%	$ 2,161,726	$ 224,851
2020/21	88	3.2%	$ 9,072,355	$1,100,590
2019/20	77	3.4%	$ 7,138,157	$ 515,571
2018/19	98	3.6%	$ 5,165,688	$1,087,676
2017/18	71	2.8%	$ 2,938,957	$ 250,931
2016/17	78	3.2%	$37,483,480	$2,979,282
2015/16	64	3.2%	$ 5,779,608	$ 388,914
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 (Regulations)

The table above indicates that in the fiscal year 2021/22, there were thirty-nine (39) contracts that were affected by the NNI Regulations. This means that thirty-nine (39) contracts would have been awarded to different contractors if not for the NNI Regulations. The 39 contracts is composed of 35 contracts for goods, 2 air charters and 2 service contracts. Typically, most contracts awarded due to the impact of the NNI Regulations are for goods. The additional cost of the policy to the GN in 2021/22 was $224,851. 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 Regulations outcomes are applied. In 2009/10 and in 2016/17 there were large construction contracts that fell into this category. When construction contracts are awarded due to the NNI Regulations, the additional cost to the GN is higher by comparison. The NNI Award volume of ninety-eight (98) contracts represents an all time high since the tracking of this report. It is important to note that the NNI Regulations changed in the 2017/18 fiscal year. It is possible that the impact of the Revised Regulations may only now be hitting the marketplace. We will continue to track this trend in NNI Awards.

For the thirteen (13) years of this analysis, on average, only 3% of the contract awards are the direct result of the NNI Regulations.

Note that the additional costs to the GN of the NNI Regulations does not take into account the costs of required Inuit Labour, Training, Contract Administration and/or NNI Regulations implementation costs.

For the thirteen (13) years of the above analysis, the contracts won due to the application of NNI, are overwhelmingly (83-96%) Purchase Orders – Goods.

Purchase Orders are excluded from the data analysed in Section 7 – NNI Adjustments.

Exceptions

- In 2019/20, the GN completed an RFP process for the territories requirements for Scheduled Medical Travel and Duty Travel. The process resulted in an award of two (2) contracts:

  1. Calm Air for $50,000,000.00

  2. Canadian North for $200,000,000.00

These two contract awards are reported as part of the statistics in this report. However, the actual expenditures are not part of the report. The expenditures are reported as exceptions.

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

	2021/2022	2020/2021	2019/2020
Medical Travel	$85 Million (est.)	$107 Million (est.)	$101 Million (est.)
Fuel (PPD)	$138 Million (est.)	$172 Million (est.)	$179 Million (est.)
Police and Laboratory Services	$56 Million (est.)	$54 Million (est.)	$50 Million (est.)
Physician Services	$28 Million (est.)	$27 Million (est.)	$23 Million (est.)

Contracts for Medical Travel and Fuel do include Inuit content, (Inuit salaries and use of Inuit Firms).

Sole Source Contract Observations

- Sole Source Contracting practices are monitored closely. The GN believes we get the best value for our money through the competitive bidding process. Section 3 of this report discusses the acceptable conditions for Sole Sourcing.
- The GN continues to review the contributing factors to contracts that have been Sole Sourced. We will continue to work towards reducing the occurrence of this contracting method.
- The Sole Source contract volumes and values for 2020/21 and 2021/22 are heavily impacted by contracts put into place to deal with the "COVID-19" pandemic. In 2020/21 the overall volume of Sole Source contracts has increased by 261%, however in this report (Contract Activity Report) we only consider Sole Source contracts over $25,000. In 2020/21 we see that Sole Source contracts over $25,000 have increased by 42%. In 2021/22 the overall volume of Sole Sourced contracts has increased by 17%. This report shows that for Sole Sourced contracts over $25,000, the volume has increased by 7.8%.
- A large majority of 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.
- On average, over the three (3) years of this report, 8% of the volume for Sole Source contracts are awarded to Inuit Firms, 2.3% to Nunavut Firms and 90% to Other Firms.
- A sixteen (16) year trend indicates that the majority of Sole Source contracts awarded to "Other" firms are for Consulting Services and Service Contracts.

Isolation Hubs and Sole Sourced Contracts

During the weekend of March 20-22, 2020, GN staff began to put into place the required services, so that Isolation Hotels or Isolation Hubs could be established at air entry points into Nunavut. These hubs were being set up in Ottawa, Edmonton, Winnipeg, and Yellowknife.

As COVID-19 spread throughout Canada, most businesses sent staff home. Many hotels were closed, kitchen staff, cleaning and administrative staff were all sent home. Many hotels in the 4 hub cities were called to assist the GN but the common response was they could not assist because their locations were closed, and staff were sent home.

In Ottawa, a call was made to the Ottawa, Gatineau Hotel Association (OGHA). The OGHA sent a message out to all hotels in Ottawa/Gatineau. The first hotel that was able to offer the required services was the Marriot Residence Inn in Ottawa. They were able to have their staff return to work and offer 90 rooms. The security company that was servicing the hotels was the Arlington Group. The Arlington Group continued to offer the security services for the Ottawa hub.

In Yellowknife, the owners of the Explorer Hotel are also the owners of the Frobisher Inn in Iqaluit, NU. They are familiar with Inuit clients, and they offered the services of their hotel. The Explorer Hotel was using the security services of Twilite Logistics. The GN contracted Twilite Logistics to continue to provide the security required.

In Winnipeg and Edmonton, after many unsuccessful calls to hotels in Winnipeg, the Winnipeg Hilton was able to call staff back to work and offer services. They were also able to offer services in Edmonton through their sister company, the Holiday Inn. The Winnipeg Hilton and the Edmonton Holiday Inn were not able to provide the required security services and informed the GN that we would need to find a security company. The owner of the Arlington Group in Ottawa offered to work with security companies in Winnipeg and Edmonton, and offer a consistent security program in Ottawa, Winnipeg, and Edmonton.

By the end of day Sunday March 22, 2020, contracts and agreements were largely established to provide hotel rooms, 3 meals a day, security services and transportation in the four Nunavut entry points of Ottawa, Winnipeg, Edmonton, and Yellowknife. While the contracts for services were being put into place, procedures for tracking and registering travellers into the hub programs were being developed. Many health staff were reassigned as required. The administrative effort and procedures required for the Isolation Hub programs were critical and detailed.

These Isolation Hubs are all classified as Sole Source – Emergency contracts. The normal procurement tendering process would not have allowed the Isolation Hubs to be established in the emergency time frame required. In most situations multiple vendors were contacted in each of the Hub city locations. In Ottawa, the entire OGHA was notified of the opportunity. Where possible, the established Hotel contractors for security, food, transportation etc. were maintained.

The first Isolation Hub guests entered the Hubs on March 25, 2020. These were the students that are part of the FANS program.

The Isolation Hubs closed on April 11, 2022. During the time that the Hubs were in operation, close to 23,000 people stayed at the Hubs.

The Isolation Hubs were an integral part of Nunavut's programs to protect Nunavummiut from COVID-19. Through the efforts of the Isolation Hub program, Nunavut remained COVID-19 free for the first eight (8) months of the pandemic.

Since the Hubs opened in March 25, 2020, the Isolation Hub operations evolved to make the Isolation experience less unpleasant for Isolation guests. From the beginning, there were no established protocols or procedures in existence for the management of "COVID-19 Isolation Program". The overall goal of the Hub program was to provide the necessary supports to allow Nunavummiut to be able to successfully complete the required Isolation time so they could return home safely to their communities. The program had evolved to include not only lodging, meals and security but also nursing services, cultural programs, mental wellness supports and expedited medical travel programs to enable specialist medical appointments.

Critical Strategic Partners

After the Hubs had been in operation for approximately 12 weeks, the GN reached out to the Qikiqtaaluk Corporation (QC) for assistance with the operations of the Isolation Hubs. The partnership with QC was a strategic success in the Hub operations. QC provided significant administrative support to the program. These services included on site Hub managers, interpreters and Inuktitut speaking staff at all Hub locations. The strategic partnership between the GN and QC was a huge success and a key component of the Hub program delivery.

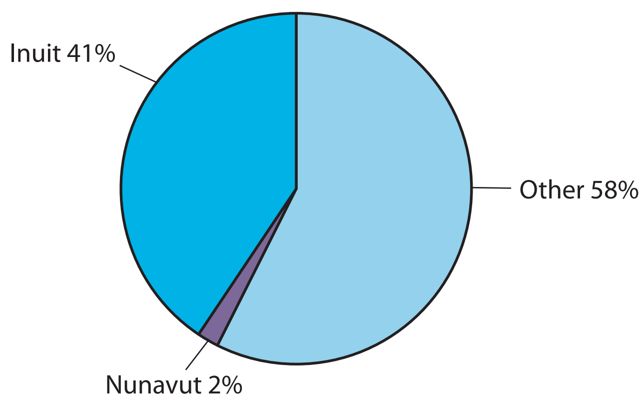
Summary

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
2021/22**



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

In 2021/22 the total value for all contracts was, $634,379,000 (rounded to the nearest thousand dollars). $257,743,000 was awarded to Inuit (41%), $11,178,000 to Nunavut (2%) and $365,458,000 to Other (58%). For the purposes of this report, companies with both 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	
2021/22	$634,379	100%	$257,743	41%	$11,178	2%	$365,458	58%
2020/21	$488,965	100%	$103,857	21%	$ 6,806	1%	$378,302	77%
2019/20	$558,254	100%	$122,003	22%	$10,333	2%	$425,918	76%

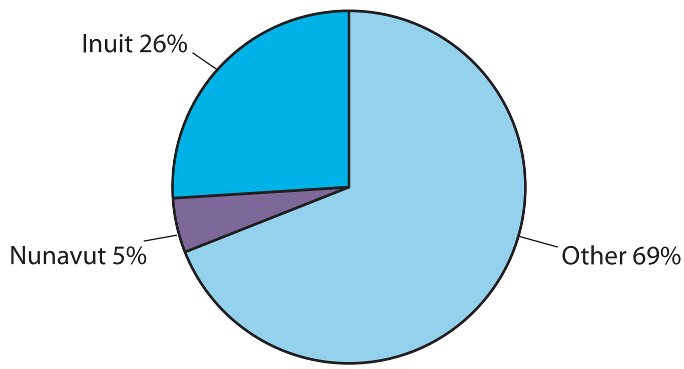
The Other status category in the table above, captures all other entities that for a variety of reasons do not fall within the status categories of Inuit and Nunavut; as is the case for many of these contracts awarded to Nunavut based individuals and entities.

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

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

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

Government of Nunavut
Distribution of All Contracts Awarded by Status Category
Based on Volume
2021/22



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

Year	Awarded		Inuit		Nunavut		Other	
2021/22	2,548	100%	675	26%	120	5%	1,753	69%
2020/21	2,735	100	831	30	88	3	1,816	66
2019/20	2,256	100	629	28	112	5	1,515	67

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

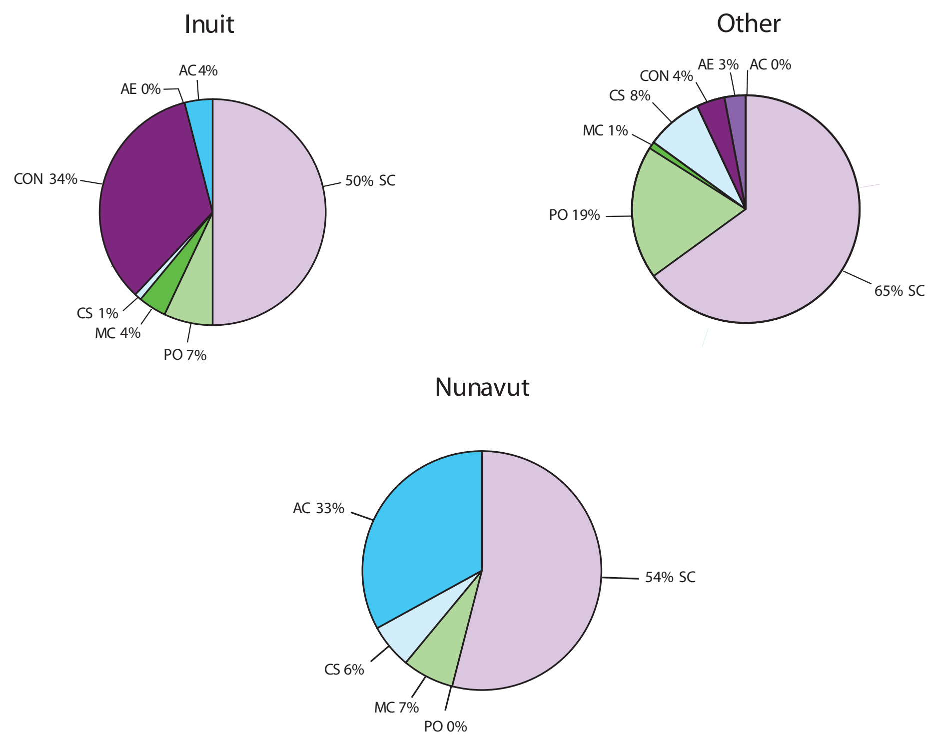
In 2021/22 the total volume for all contracts was 2548. Inuit were awarded 675 or 26%, 120 were awarded to Nunavut (5%) and 1753 went to Other (69%). These values reflect a 6.8% decrease in the number of contracts issued. The volume of contracts awarded to "Other" decreased by 3.5%.

A three (3) year average 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 saw an overall slow but steady 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 had reversed. In 2016/17 to 2018/19, the trend of increased percentage to "Other" has decreased. These trends have stopped in 2019/20 to 2021/22.

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
2021/22



Distribution of Contracts Awarded by Type – Based on Value

2021/22
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 14,729	2%	$ 9,803	67%	$ 3,712	25%	$ 1,214	8%
Architectural/Engineering (AE)	12,575	2	53	-	-	-	12,522	100
Construction (CON)	100,808	16	86,935	86	-	-	13,873	14
Consulting Services (CS)	31,998	5	2,059	6	616	2	29,323	92
Minor Construction or Maintenance Services (MC)	13,706	2	10,088	74	774	6	2,844	21
Purchase Orders (PO)	87,226	14	19,260	22	13	-	67,953	78
Service Contracts (SC)	373,338	59	129,546	35	6,063	2	237,729	64
Total	$634,380	100%	$257,744	41%	$11,178	2%	$365,458	58%

2020/21
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 5,643	1%	$ 3,430	61%	$ 444	8%	$ 1,769	31%
Architectural/Engineering (AE)	7,826	2	50	1	-	-	7,776	99
Construction (CON)	21,523	4	21,523	100	-	-	-	-
Consulting Services (CS)	26,622	5	7,513	28	351	1	18,758	70
Minor Construction or Maintenance Services (MC)	20,081	4	15,647	78	2,790	14	1,644	8
Purchase Orders (PO)	180,660	37	20,657	11	735	-	159,268	88
Service Contracts (SC)	226,611	46	35,038	15	2,486	1	189,087	83
Total	$ 488,966	100%	$103,858	21%	$6,806	1%	$378,302	77%

2019/20
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 7,981	1%	$ 5,948	75%	$ 448	6%	$ 1,585	20%
Architectural/Engineering (AE)	5,163	1	14	-	-	-	5,149	100
Construction (CON)	61,811	11	60,241	97	-	-	1,570	3
Consulting Services (CS)	46,342	8	2,613	6	913	2	42,816	92
Minor Construction or Maintenance Services (MC)	21,526	4	12,804	59	5,327	25	3,395	16
Purchase Orders (PO)	45,325	8	14,859	33	454	1	30,012	66
Service Contracts (SC)	370,106	66	25,524	7	3,191	1	341,391	92
Total	$ 558,254	100%	$ 122,003	22%	$10,333	2%	$425,918	76%

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 2021/22, of the total $634,380,000 contracts awarded, $257,744,000 was awarded to Inuit companies. This represents 41% of the value of contracts awarded. Nunavut Firms were awarded $11,178,000 or 2% and Other Firms were awarded $365,458,000 or 58%.

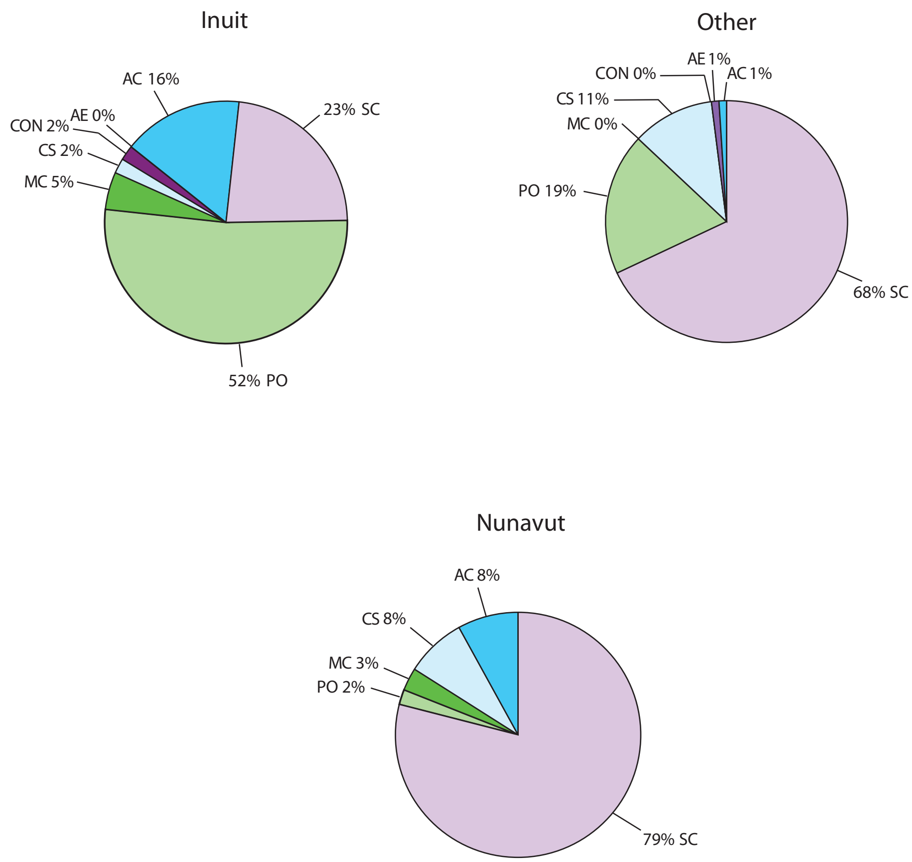
Inuit and Nunavut companies, in general, are awarded the majority of the volume of Air Charter contracts (93%); this represents 92% of the Air Charter contract value in 2021/22.

Inuit and Nunavut firms generally win a greater volume of Minor and Major Construction contracts. This represents a thirteen (13) year trend.

The tables above indicate that the total value of contracts increased by 30% in 2021/22. The value of contracts to Other decreased by 19%, and the value to Inuit increased by 20% as a comparative ratio.

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

Government of Nunavut
Distribution of Contracts Awarded by Type
Based on Volume
2021/22



Distribution of Contracts Awarded by Type – Based on Volume

2021/22

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	126	5%	108	86%	9	7%	9	7%
Architectural/Engineering (AE)	20	1	1	5	-	-	19	95
Construction (CON)	21	1	15	71	-	-	6	29
Consulting Services (CS)	206	8	11	5	10	5	185	90
Minor Construction or Maintenance Services (MC)	42	2	33	79	4	10	5	12
Purchase Orders (PO)	684	27	352	51	2	-	330	48
Service Contracts (SC)	1,449	57	155	11	95	7	1,199	83
Total	2,548	100%	675	26%	120	5%	1,753	69%

2020/21

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	126	5%	89	71%	4	3%	33	26%
Architectural/Engineering (AE)	17	1	1	6	-	-	16	94
Construction (CON)	16	1	16	100	-	-	-	-
Consulting Services (CS)	196	7	18	9	12	6	166	85
Minor Construction or Maintenance Services (MC)	85	3	52	61	17	20	16	19
Purchase Orders (PO)	1,000	37	464	46	6	1	530	53
Service Contracts (SC)	1,295	47	191	15	49	4	1,055	81
Total	2,735	100%	831	30%	88	3%	1,816	66%

2019/20

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	142	6%	97	68%	15	11%	30	21%
Architectural/Engineering (AE)	8	-	1	13	-	-	7	88
Construction (CON)	19	1	14	74	-	-	5	26
Consulting Services (CS)	382	17	45	12	10	3	327	86
Minor Construction or Maintenance Services (MC)	74	3	43	58	18	24	13	18
Purchase Orders (PO)	633	28	289	46	5	1	339	54
Service Contracts (SC)	998	44	140	14	64	6	794	80
Total	2,256	100%	629	28%	112	5%	1,515	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.

In 2021/22, Inuit and Nunavut Firms won 31% of all contracts while “Other” firms won 69%. Inuit and Nunavut Firms are more successful with Air Charters, Construction and Purchase Orders. Other Firms are more successful with Architectural and Engineering Consulting and Service Contracts.

In 2020/21, Inuit and Nunavut firms won 100% of Construction contracts, 81% of Minor Construction contracts and 74% of Air Charters.

In 2019/20, Inuit and Nunavut Firms combined won 74% of Construction contracts, 82% of Minor Construction contracts and 79% of Air Charters. These three categories are typically more successful for Inuit and Nunavut Firms. They win the majority of the contracts in these three categories.

In 2021/22, the combined Inuit and Nunavut firms win the lowest share of contracts for Architectural and Engineering (5%), Service contracts (11%) and Consulting Services (5%). This is consistent over the last sixteen (16) years. Generally, Inuit and Nunavut firms are able to compete successfully for Air Charters, Construction, Minor Construction and Purchase Orders for goods.

For the sixteen (16) year data (from 2006/07 to 2021/22), the volume of contracts to Other firms is between 54-70%. Therefore as the number of contracts overall grows, the ratio of contracts to Other firms versus the combined Inuit and Nunavut remains consistantly above 55%.

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

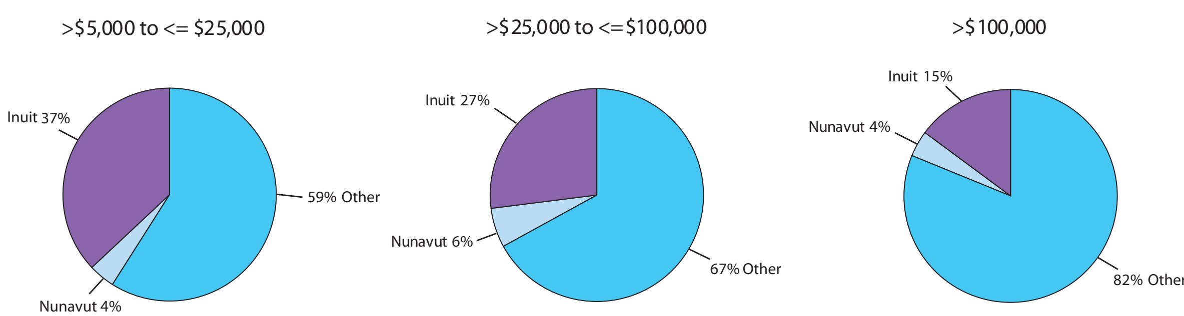
Contracts >$25,000 to <=$100,000

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
2021/22



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

2021/22

Type	Awarded		Inuit		Nunavut		Other	
>$5,000 to <=$25,000	926	36%	343	37%	40	4%	543	59%
>$25,000 to <=$100,000	794	31	211	27	51	6	532	67
>$100,000	828	32	121	15	29	4	678	82
Total	2,548	100%	675	26%	120	5%	1,753	69%

2020/21

Type	Awarded		Inuit		Nunavut		Other	
>$5,000 to <=$25,000	1,161	42%	469	40%	29	2%	663	57%
>$25,000 to <=$100,000	773	28	241	31	39	5	493	64
>$100,000	801	29	121	15	20	2	660	82
Total	2,735	100%	831	30%	88	3%	1,816	66%

2019/20

Type	Awarded		Inuit		Nunavut		Other	
>$5,000 to <=$25,000	1,002	44%	329	33%	40	4%	633	63%
>$25,000 to <=$100,000	686	30	185	27	42	6	459	67
>$100,000	568	25	115	20	30	5	423	74
Total	2,256	100%	629	28%	112	5%	1,515	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 fifteen (15) reports.

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

	Inuit/Nunavut	Other
>$5,000 to <=$25,000	41%	59%
>$25,000 to <=$100,000	33%	67%
>$100,000	20%	80%

The pie charts and tables above set out the distribution of contracts to Inuit and Nunavut in three (3) dollar value categories. The following are percentages of the number of contracts to Inuit and Nunavut within the dollar thresholds as specified:

- The 2021/22 fiscal year, 36% of the overall volume of contracts were for contracts between $5,000 and $25,000; Inuit and Nunavut Firms won 41% of contract volume in this value category. This is down by 1% 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 41% (Inuit 37% and Nunavut 4%) of contract volume in this value category as a proportionate share.
- 32% of the contracts awarded were contracts valued at greater than $100,000; Inuit and Nunavut firms won 19% of the volume of these contracts. This is up by 2% 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 41% of contracts.
- contracts between $25,000 and $100,000 represent roughly 30% of the total volume.
- contracts worth over $100,000 represent roughly 29% of the total volume.
- From 2006/07 up until 2014/15, the overall trend over the previous 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 5% in proportionate share. In 2016/17 through to 2021/22, we see that Other firms has been winning 68-70% of all contracts.

Volume of Contracts Awarded

Year	Total	Inuit	%	Nunavut	%	Other	%
2021/22	2548	675	26%	120	5%	1753	69%
2020/21	2735	831	30%	88	3%	1816	66%
2019/20	2256	629	28%	112	5%	1515	67%
2018/19	2745	793	29%	92	3%	1860	68%
2017/18	2563	706	28%	65	3%	1792	70%
2016/17	2450	724	30%	57	2%	1669	68%
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	57%
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%	796	76%
16 Year Averages			**31%**		**5%**		**64%**

Value of Contracts Awarded (in thousands of Canadian dollars)

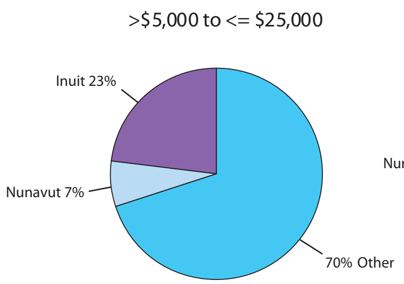
Year	Total $	Inuit $	Inuit %	Nunavut $	Nunavut %	Other $	Other %
2021/22	634,379	257,743	41%	11,178	2%	365,458	58%
2020/21	488,965	103,858	21%	6,806	1%	378,302	77%
2019/20	558,054	121,807	22%	10,333	2%	245,915	76%
2018/19	549,724	267,138	49%	7,665	1%	274,922	50%
2017/18	539,356	251,901	47%	6,053	1%	281,402	52%
2016/17	376,224	123,095	33%	11,703	3%	241,426	64%
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%
16 Year Averages			**38%**		**5%**		**53%**

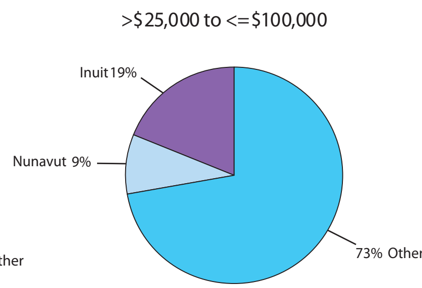
The sixteen (16) year averages show that Inuit Firms win 31% of the volume and 38% of the value of all contracts. Nunavut Firms win 5% of the volume and 5% of the value of all contracts. Other Firms win 64% of the volume and 53% of the value of all contracts.

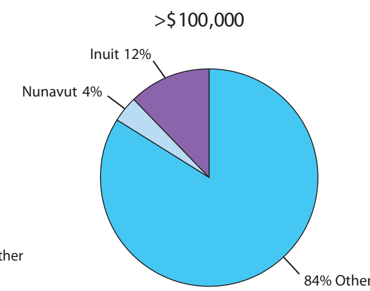
Analysis Excluding Contracts for Goods

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

Government of Nunavut
Distribution of Contract Values Awarded – Based on Volume
Excluding Contracts for Goods
2021/22







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

2021/22

Type	Awarded		Inuit		Nunavut		Other	
>$5,000 to <=$25,000	559	30%	127	23%	38	7%	394	70%
>$25,000 to <=$100,000	595	32	111	19	51	9	433	73
>$100,000	710	38	85	12	29	4	596	84
Total	1,864	100%	323	17%	118	6%	1,423	76%

2020/21

Type	Awarded		Inuit		Nunavut		Other	
>$5,000 to <=$25,000	570	33%	175	31%	27	5%	368	65%
>$25,000 to <=$100,000	515	30	106	21	37	7	372	72
>$100,000	650	37	86	13	18	3	546	84
Total	1,735	100%	367	21%	82	5%	1,286	74%

2019/20

Type	Awarded		Inuit		Nunavut		Other	
>$5,000 to <=$25,000	645	40%	155	24%	38	6%	452	70%
>$25,000 to <=$100,000	513	32	104	20	41	8	368	72
>$100,000	465	29	81	17	28	6	356	77
Total	1,623	100%	340	21%	107	7%	1,176	72%

In 2020/21, when Goods contracts are removed, the number of contracts less than $25,000 decreases by approximately 12%. The number of contracts between $25,000 and $100,000 remained approximately the same and the number of contracts over $100,000 increases by 40%.

In the pie charts and tables above we examine the number of contracts excluding goods. In 2021/22, contracts for goods alone represents a volume of 684 or 27% of all contracts, 367 between $5001-$25,000 or (14%) and 199 for $25,000-$100,000 (8%) and 118 greater than $100,000 (5%).

Impact Inuit Firms, with goods contracts removed, Proportionate Share

- The percentage of contracts awarded to Inuit Firms has a relative decrease of 9% overall when goods contracts are removed, (26%-17%).
- The percentage of contracts > $5,000 to <=$25,000 awarded to Inuit Firms decreases by 14% when goods contracts are removed, (37%-23%).
- Contracts >$25,000 to <=$100,000 awarded to Inuit firms decrease by 8%, (27%-19%).
- Contracts >$100,000 awarded to Inuit Firms decreased by 3%, without goods contracts.

Impact on Nunavut Businesses, with goods contracts removed

- The percentage of contracts awarded to Nunavut Firms has a relative increase of 1% when goods contracts are removed.
- The percentage 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 3% with goods contracts removed.
- Contracts >$100,000 – Awarded to Nunavut Firms remains at 4% with goods contracts removed.

Impact on Other Businesses, with goods contracts removed

- The percentage of contracts awarded to Other Firms has a relative increase of 7% when goods contracts are removed.
- Percentage of contracts >$5,000 to <=$25,000 – Awarded to Other Firms increased by 11%.
- Contracts >$25,000 to <=$100,000 – Awarded to Other firms increases by 6%.
- Contracts >$100,000 – Awarded to Other Firms increases by 2%.

For the last fifteen (15) years, we can make a general observation that when we remove the volume of goods contracts from the total volume of contracts, Inuit firms receive a lower percentage of contracts, Other firms receive a greater percentage of contracts.

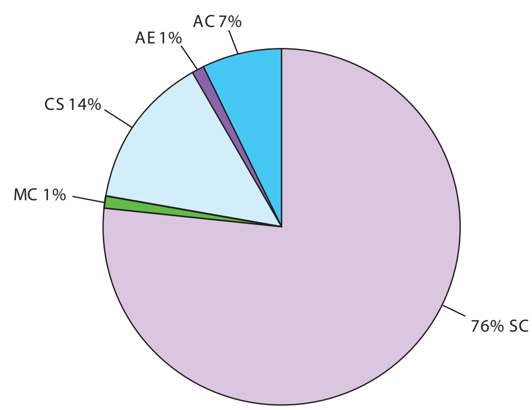
Generally, Inuit and Nunavut firms (especially Inuit firms) win a greater percentage share of contracts when goods are included in the contract statistics therefore, we can conclude that Inuit and Nunavut firms are able to compete better for goods contracts rather than Consulting contracts.

Analysis by Contract Type

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

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

Government of Nunavut
Distribution of Contracts by Type – Based on Value
For Contracts >$25,000 to <=$100,000
Excluding Contracts for Goods
2021/22



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

Type	2021/22		2020/21		2019/20	
Air Charter (AC)	$ 2,351	7%	$ 2,615	9%	$ 3,136	11%
Architectural/Engineering (AE)	468	1	403	1	119	-
Consulting Services (CS)	4,762	14	5,156	18	8,921	32
Minor Construction or Maintenance Services (MC)	492	1	1,294	4	717	3
Service Contracts (SC)	24,988	76	19,418	67	14,839	54
Total	$33,061	100%	$ 28,886	100%	$27,732	100%

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

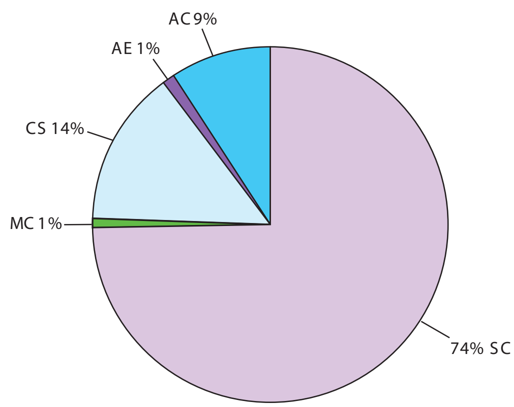
We can make some general conclusions over the last twelve (12) years for contracts valued from $25,000 to $100,000.

- Air Charters compose roughly 7-11% of the total value.
- Architectural and Engineering compose roughly 0-5% of the total value.
- It is difficult to find a pattern for Service Contracts and Consulting Services. They are often used interchangeably. Combined they compose 75-86%.

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
2021/22



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

Type	2021/22		2020/21		2019/20	
Air Charter (AC)	52	9%	54	10%	70	14%
Architectural/Engineering (AE)	7	1	7	1	2	-
Construction (CON)	-	-	-	-	-	-
Consulting Services (CS)	86	14	88	17	154	30
Minor Construction or Maintenance Services (MC)	7	1	21	4	9	2
Service Contracts (SC)	443	74	345	67	278	54
Total	595	100%	515	100%	513	100%

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

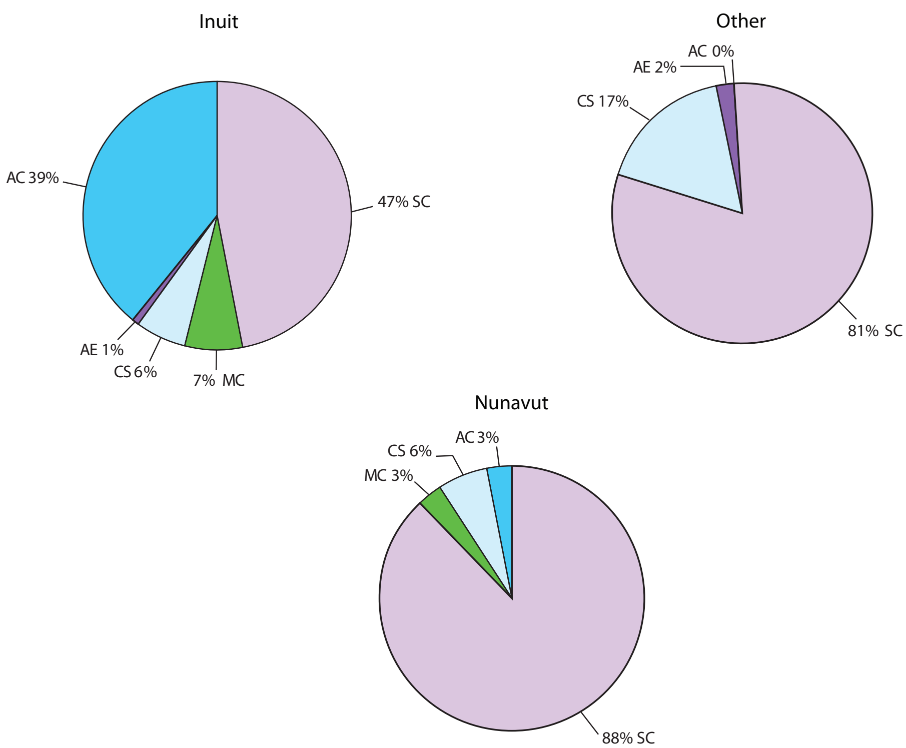
We can make some general conclusions over the last ten (10) years for contracts from $25,000 to $100,000:

- Air Charters compose 7-14% of the volume
- Architectural and Engineering compose 0-3% of the volume
- Major Construction composes 0-1% of the volume
- Minor Construction composes 1-10% of the volume
- Service Contracts combined with Consulting Services range 75-88%
- 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 Type within Status Category Based on Value
For Contracts >$25,000 to <=$100,000
Excluding Contracts for Goods
2021/22



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 thirteen (13) years.

In 2021/22, combined Inuit and Nunavut firms won 100% of Minor Construction and Maintenance Services. It had been fairly consistent over the previous eleven (11) years that Inuit and Nunavut firms win a high proportionate share of these contracts.

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

2021/22
(Thousands)

Type	Awarded	Inuit		Nunavut		Other	
Air Charter (AC)	$ 2,350	$ 2,177	93%	$ 71	3%	$ 102	4%
Architectural/Engineering (AE)	469	53	11	-	-	416	89
Consulting Services (CS)	4,762	323	7	171	4	4,268	90
Minor Construction or Maintenance Services (MC)	492	393	80	99	20	-	-
Service Contracts (SC)	24,988	2,641	11	2,498	10	19,849	79
Total	$ 33,061	$ 5,587	17%	$2,839	9%	$24,635	75%

2020/21
(Thousands)

Type	Awarded	Inuit		Nunavut		Other	
Air Charter (AC)	$ 2,615	$1,952	75%	$ 149	6%	$ 514	20%
Architectural/Engineering (AE)	404	50	12	-	-	354	88
Consulting Services (CS)	5,156	368	7	244	5	4,544	88
Minor Construction or Maintenance Services (MC)	1,294	636	49	423	33	235	18
Service Contracts (SC)	19,418	2,555	13	1,347	7	15,516	80
Total	$28,887	$5,561	19%	$2,163	7%	$21,163	73%

2019/20
(Thousands)

Type	Awarded	Inuit		Nunavut		Other	
Air Charter (AC)	$ 3,137	$2,258	72%	$ 380	12%	$ 499	16%
Architectural/Engineering (AE)	119	-	-	-	-	119	100
Consulting Services (CS)	8,921	969	11	193	2	7,759	87
Minor Construction or Maintenance Services (MC)	717	261	36	94	13	362	50
Service Contracts (SC)	14,839	1,568	11	1,509	10	11,762	79
Total	$27,733	$5,056	18%	$2,176	8%	$20,501	74%

The fourteen (14) 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.

<u>Analysis of all 2019/20 contracts >$25,000 to <=$100,000, excluding goods – based on value</u>

For contracts in this range, in 2021/22, 17% of the total value was awarded to Inuit firms and 9% was awarded to Nunavut Businesses. The remaining 75% was awarded to firms that are not registered with NTI or the GN under the NNI Regulations. 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 (3) years, the value of contracts to Inuit firms has moved from 18% in 2019/20 and 19% in 2020/21 and to 17% in 2021/22. These fluctuations have had a corresponding increase to “Nunavut” and “Other” firms.

Nunavut Firms

The proportionate share of the value of contracts to Nunavut Businesses went from (8%) in 2019/20 to (7%) in 2020/21, and (9%) in 2021/22. 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 has remained consistent.

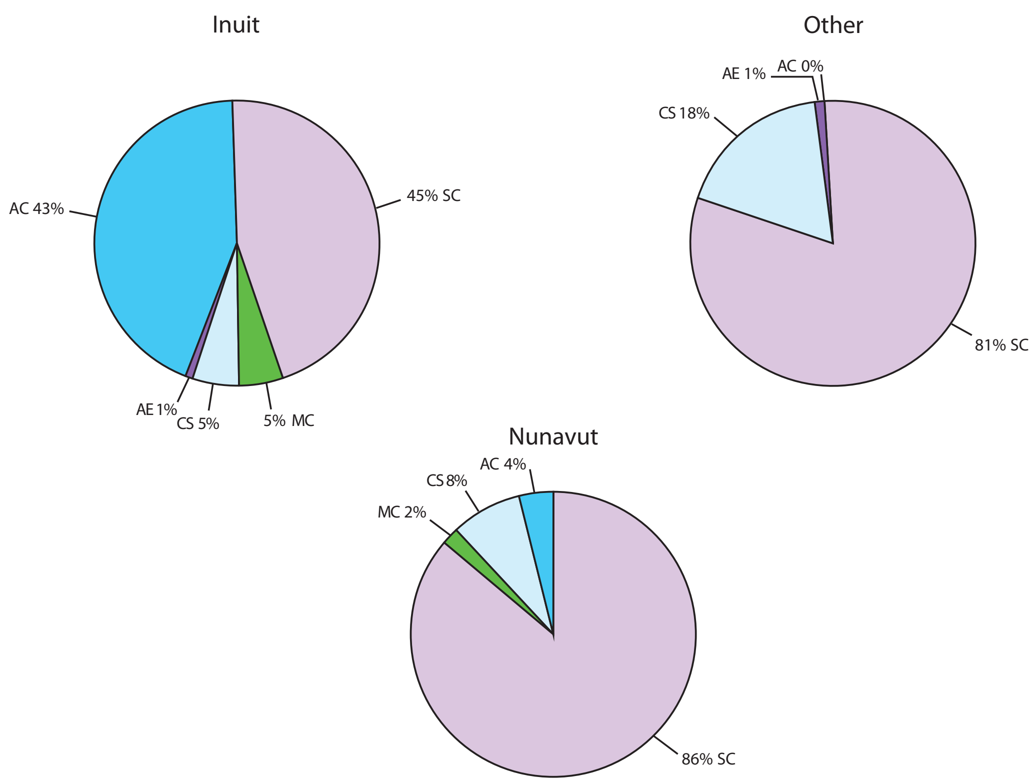
A three-year average shows the following proportionate share.

- Inuit – 18%
- Nunavut – 8%
- Other – 74%

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
2021/22



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

2021/22

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	52	9%	48	92%	2	4%	2	4%
Architectural/Engineering (AE)	7	1	1	14	-	-	6	86
Consulting Services (CS)	86	14	6	7	4	5	76	88
Minor Construction or Maintenance Services (MC)	7	1	6	86	1	14	-	-
Service Contracts (SC)	443	74	50	11	44	10	349	79
Total	595	100%	111	19%	51	9%	433	73%

2020/21

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	54	10%	42	78%	2	4%	10	19%
Architectural/Engineering (AE)	7	1	1	14	-	-	6	86
Consulting Services (CS)	88	17	7	8	5	6	76	86
Minor Construction or Maintenance Services (MC)	21	4	11	52	6	29	4	19
Service Contracts (SC)	345	67	45	13	24	7	276	80
Total	515	100%	106	21%	37	7%	372	72%

2019/20

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	70	14%	48	69%	10	14%	12	17%
Architectural/Engineering (AE)	2	-	-	-	-	-	2	100
Consulting Services (CS)	154	30	19	12	3	2	132	86
Minor Construction or Maintenance Services (MC)	9	2	4	44	1	11	4	44
Service Contracts (SC)	278	54	33	12	27	10	218	78
Total	513	100%	104	20%	41	8%	368	72%

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

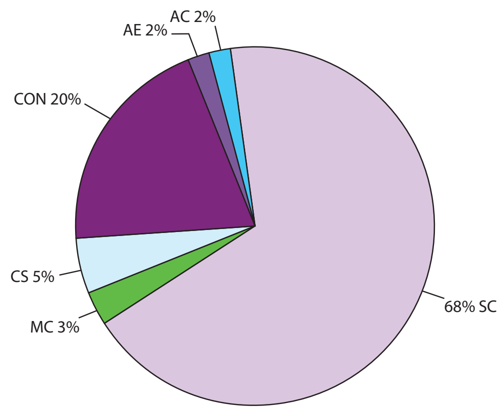
The proportionate share of contracts to Inuit firms over the last three years averages at 20%.

The proportionate share of contracts to Nunavut firms averages around 8%. The proportionate share of contracts to Other firms averages around 72%.

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
2021/22



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

Type	2021/22		2020/21		2019/20	
Air Charter (AC)	$ 11,713	2%	$ 2,081	1%	$ 4,089	1%
Architectural/Engineering (AE)	12,081	2	7,395	3	5,005	1
Construction (CON)	100,793	20	21,523	8	61,811	13
Consulting Services (CS)	26,360	5	20,748	8	35,748	7
Minor Construction or Maintenance Services (MC)	13,162	3	18,720	7	20,774	4
Service Contracts (SC)	342,044	68	201,298	74	349,264	73
Total	$ 506,153	100%	$ 271,765	100%	$ 476,691	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.

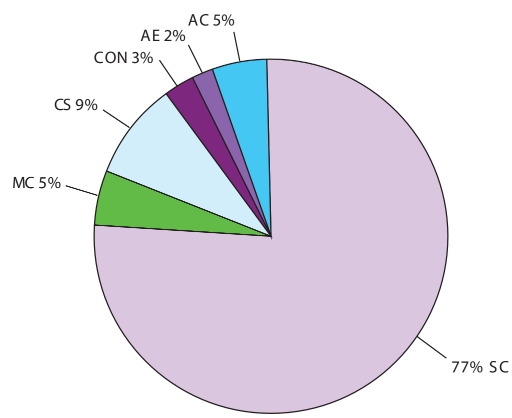
Over the last eight (8) years Architectural and Engineering, Consulting Services and Minor Construction have remained at consistent low levels of proportionate share of the total value of contracts greater than $100,000. Multi year Maintenance contracts tend to exceed $100,000 and the threshold value for Minor Construction is $250,000. Major Construction fluctuates with Capital funding cycles and generally those contracts take two (2) years to complete.

The list of individual contracts can be found in the 2021/22 Procurement Activity Report, Appendix C.

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
2021/22



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

Type	2021/22		2020/21		2019/20	
Air Charter (AC)	33	5%	10	2%	15	3%
Architectural/Engineering (AE)	12	2	8	1	4	1
Construction	20	3	16	2	19	4
Consulting Services (CS)	64	9	57	9	117	25
Minor Construction or Maintenance Services (MC)	32	5	61	9	63	14
Service Contracts (SC)	549	77	498	77	247	53
Total	710	100%	650	100%	465	100%

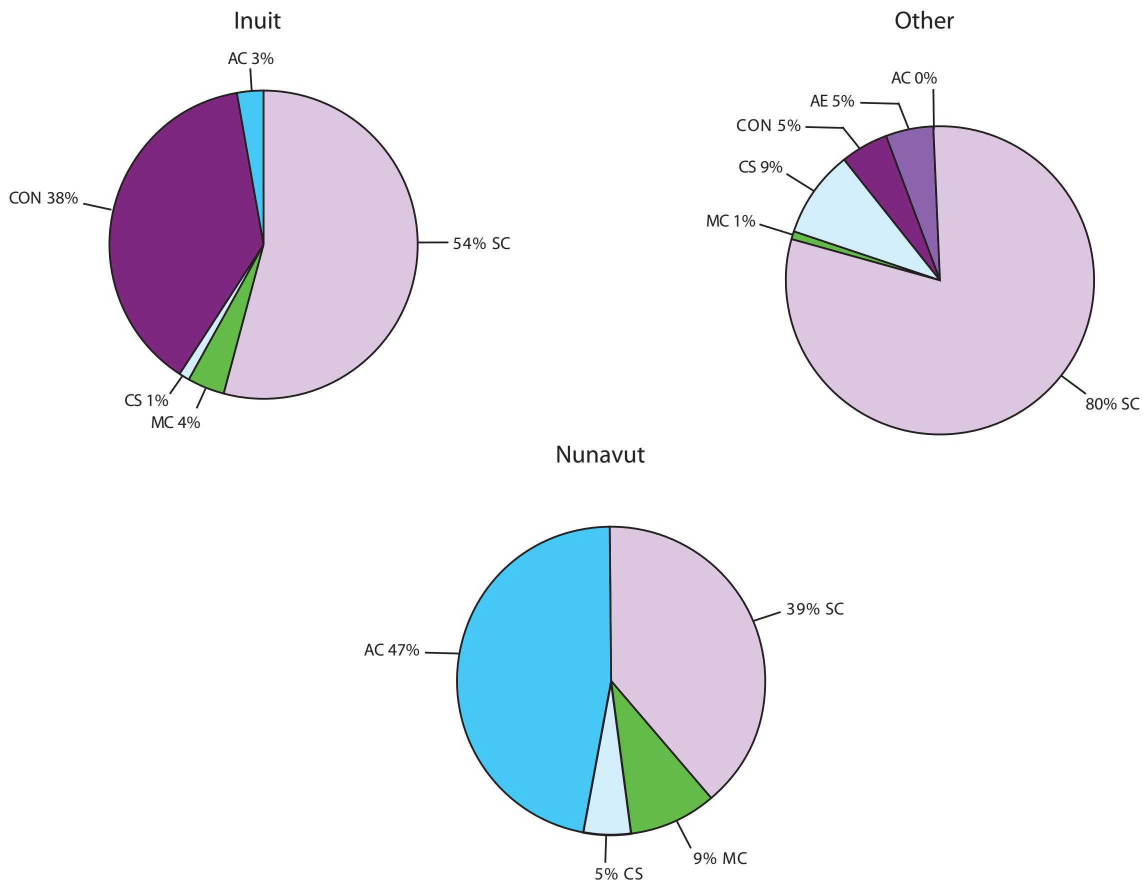
This section looks at the volume of contracts greater than $100,000 excluding Purchase Order contracts.

Approximately 86% of the combined volume 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 thirteen (13) years. Note that Consulting and Service Contracts are sometimes reported interchangably, therefore a decrease in Service Contracts and an increase in Consulting Contracts could mean status quo.

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
2021/22



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

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

2021/22
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 11,713	2%	$ 6,977	60%	$3,641	31%	$ 1,095	9%
Architectural/Engineering (AE)	12,081	2	-	-	-	-	12,081	100
Construction (CON)	100,793	20	86,920	86	-	-	13,873	14
Consulting Services (CS)	26,360	5	1,700	6	393	1	24,267	92
Minor Construction or Maintenance Services (MC)	13,162	3	9,642	73	676	5	2,844	22
Service Contracts (SC)	342,043	68	125,838	37	3,062	1	213,143	62
Total	$506,152	100%	$231,077	46%	$7,772	2%	$267,303	53%

2020/21
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 2,082	1%	$ 760	37%	$ 281	13%	$ 1,041	50%
Architectural/Engineering (AE)	7,395	3	-	-	-	-	7,395	100
Construction (CON)	21,523	8	21,523	100	-	-	-	-
Consulting Services (CS)	20,748	8	7,043	34	-	-	13,705	66
Minor Construction or Maintenance Services (MC)	18,720	7	14,989	80	2,367	13	1,364	7
Service Contracts (SC)	201,297	74	31,044	15	891	-	169,362	84
Total	$271,765	100%	$ 75,359	28%	$3,539	1%	$192,867	71%

2019/20
(Thousands)

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	$ 4,089	1%	$ 3,135	77%	$ -	-%	$ 954	23%
Architectural/Engineering (AE)	5,005	1	-	-	-	-	5,005	100
Construction (CON)	61,811	13	60,241	97	-	-	1,570	3
Consulting Services (CS)	35,748	7	1,391	4	659	2	33,698	94
Minor Construction or Maintenance Services (MC)	20,774	4	12,508	60	5,234	25	3,032	15
Service Contracts (SC)	349,263	73	22,914	7	1,250	-	325,099	93
Total	$476,690	100%	$100,189	21%	$7,143	1%	$369,358	77%

For the 2021/22 fiscal year, as a percentage of total contracts, the value of contracts to Inuit increased by 18%. In pure dollar terms this represents an increase of over 300% in the value of contracts to Inuit firms. The value to Nunavut businesses is at 2% in proportionate share. The percentage of the value to “Other” decreased by 18%.

Over the past three (3) years of this report, we see that the value of the contracts in this range has increased by 28% overall. The value to Inuit firms has increased by 230%, and to Nunavut firms a decrease of 25% and a decrease to Other firms of 28%.

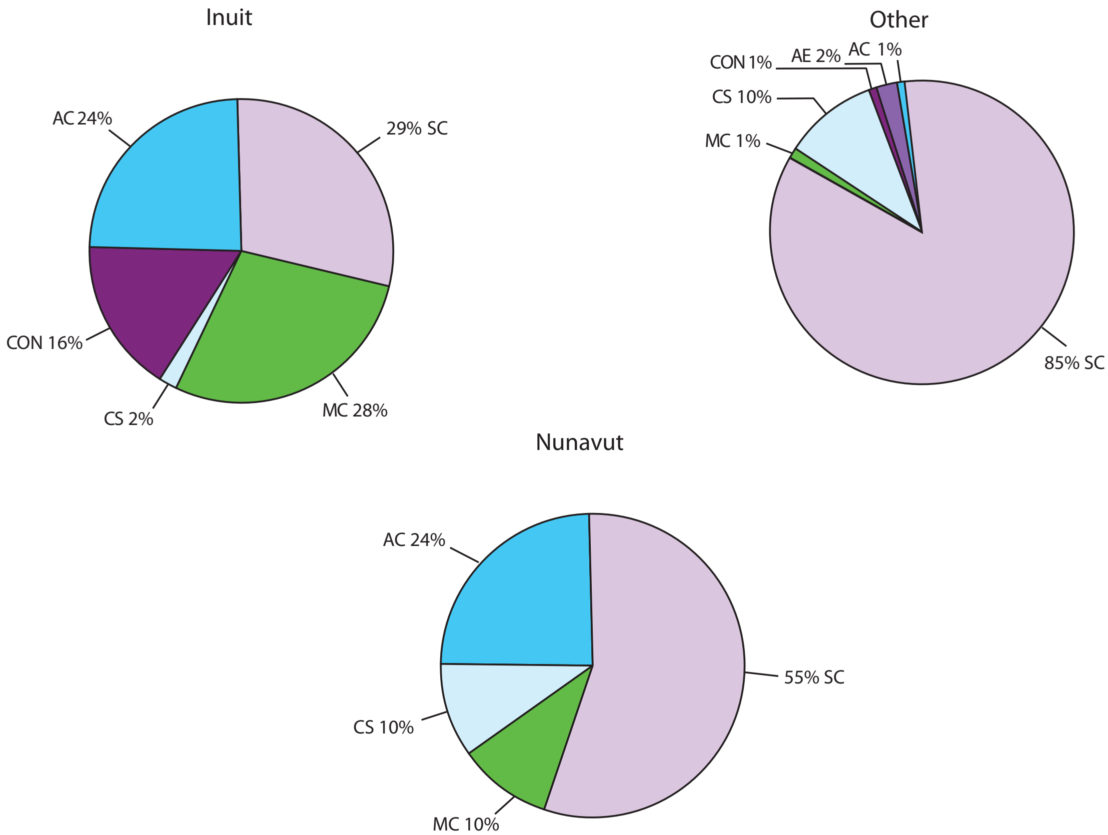
Note that in 2021/22, two large construction contracts with a combined value of over $77 million was awarded to Inuit owned construction companies, (Iqaluit French School Addition and the Kivalliq Seniors Long-Term Care Facility).

A detailed list of contract awards can be found in the 2021/22 Procurement Activity Report (PAR) Appendix C.

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
2021/22



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

2021/22

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	33	5%	20	61%	7	21%	6	18%
Architectural/Engineering (AE)	12	2	-	-	-	-	12	100
Construction (CON)	20	3	14	70	-	-	6	30
Consulting Services (CS)	64	9	2	3	3	5	59	92
Minor Construction or Maintenance Services (MC)	32	5	24	75	3	9	5	16
Service Contracts (SC)	549	77	25	5	16	3	508	93
Total	710	100%	85	12%	29	4%	596	84%

2020/21

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	10	2%	3	30%	1	10%	6	60%
Architectural/Engineering (AE)	8	1	-	-	-	-	8	100
Construction (CON)	16	2	16	100	-	-	-	-
Consulting Services (CS)	57	9	4	7	-	-	53	93
Minor Construction or Maintenance Services (MC)	61	9	40	66	11	18	10	16
Service Contracts (SC)	498	77	23	5	6	1	469	94
Total	650	100%	86	13%	18	3%	546	84%

2019/20

Type	Awarded		Inuit		Nunavut		Other	
Air Charter (AC)	15	3%	9	60%	-	-%	6	40%
Architectural/Engineering (AE)	4	1	-	-	-	-	4	100
Construction (CON)	19	4	14	74	-	-	5	26
Consulting Services (CS)	117	25	7	6	3	3	107	91
Minor Construction or Maintenance Services (MC)	63	14	37	59	17	27	9	14
Service Contracts (SC)	247	53	14	6	8	3	225	91
Total	465	100%	81	17%	28	6%	356	77%

Service Contracts represent the largest single portion of the contracts in this category. This has been consistent over the past ten (10) years of this report.

For the fiscal year 2021/22, as a percentage of total contracts, the volume of contracts to Inuit contractors decreased by 1% and the volume to Nunavut firms increased by 11%. The volume of contracts to Other remained consistent at 84%.

For the fiscal year 2020/21, as a percentage of total contracts, the volume of contracts to Inuit contractors decreased by 4% and the volume to Nunavut firms decreased by 3%. The volume of contracts to Other increased by 7%.

For the fiscal year 2019/20, as a percentage of the total contracts, the volume of contracts awarded to Inuit firms increased by 6%. The volume of contracts to Nunavut firms increased by 3%. The volume of contracts to Other decreased by 10%.

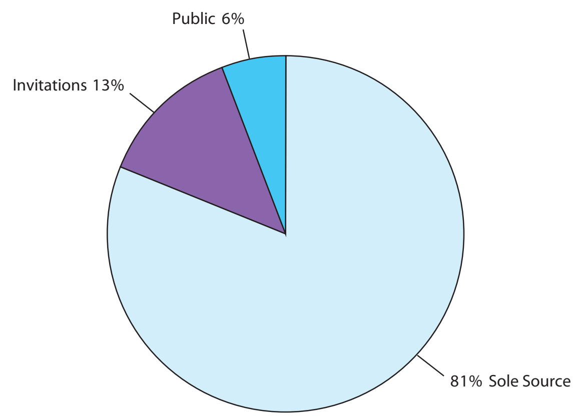
We can see a pattern for the volume of contracts in this category. Inuit firms win an average 17% of these contracts, Nunavut firms win 5% of these contracts and Other firms win 78% of the volume of these contracts. See chart below that outlines the percentage share for the past thirteen (13) years.

Year	Inuit	Nunavut	Other
2021/22	12%	4%	84%
2020/21	13%	3%	84%
2019/20	17%	6%	77%
2018/19	11%	3%	87%
2017/18	17%	4%	79%
2016/17	16%	5%	79%
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
2021/22



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

Year	Awarded	Public		Invitations		Sole Source	
2021/22	$ 11,346	$ 735	6%	$ 1,457	13%	$ 9,154	81%
2020/21	11,560	1,187	10	2,043	18	8,330	72
2019/20	8,715	1,116	13	1,994	23	5,605	64

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 2021/22, of the total contract value of $11,346,000 (rounded to the nearest thousand), $2,192,000 resulted from Public or Invitational Request for Tenders or Proposals (19%) and $9,154,000 resulted from Sole Sources (81%).

In 2020/21, of a total contract value of $11,560,000 (rounded to the nearest thousand), $3,230,000 resulted from Public or Invitational Requests for Tenders or Proposals (28%) and $8,330,000 resulted from Sole Sources (72%).

In 2019/20, of a total contract value of $8,715,000 (rounded to the nearest thousand) $3,110,000 resulted from Public or Invitational Requests for Tenders or Proposals (36%) and $5,605,000 resulted from Sole Sources (64%).

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.

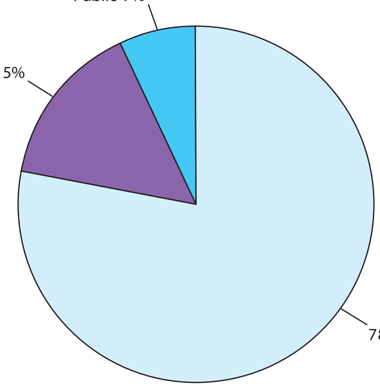
In the category of contracts between $25,000 and $100,000, we see that over the last three (3) years, the value of proportionate share of Sole Source contracts has increased in proportionate share by 17%. In real dollars this represents a 63% increase.

The increase in the value of Sole Source contracts in this category is due largely to contracts entered into to respond to COVID-19. These COVID-19 impacted numbers have impacted the 2020/21 and 2021/22 reporting periods.

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
2021/22



Distribution of Contracts by Contract Method – Based on Volume

Year	Awarded	Public		Invitations		Sole Source	
2021/22	195	14	7%	29	15%	152	78%
2020/21	199	17	9	41	21	141	71
2019/20	154	15	10	40	26	99	64

For the fiscal year 2021/22, the percentage volume of Sole Source contracts has increased by 7% proportionate share in this value range. In real numbers, this represents eleven (11) additional contracts.

For the fiscal year 2020/21, the percentage share volume of Sole Source contracts increased by 42% from 2019/20. This represents a real increase in the number of Sole Source contracts by forty-two (42) contracts.

For the fiscal year 2019/20, the percentage volume of Sole Source contracts remained at 64%. In real numbers that represented 28 fewer contracts.

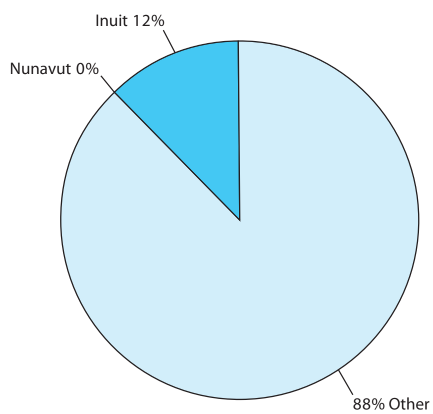
Over the last three (3) years of the table above, the volume of Sole Source contracts has increased by 54% and the proportionate share has increased by 14%.

The increase in the volume of Sole Source contracts in this category is due largely to contracts entered into to respond to COVID-19. This increased trend has impacted the two fiscal years 2020/21 and 2021/22.

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
2021/22



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

Year	Awarded	Inuit		Nunavut		Other	
2021/22	$9,155	$1,074	12%	$ 35	-%	$8,046	88%
2020/21	8,329	341	4	245	3	7,743	93
2019/20	5,605	244	4	262	5	5,099	91

In 2021/22, only 12% of the contract value Sole Sourced were awarded to Inuit/Nunavut firms, 88% was awarded to Other.

In 2020/21, only 7% (same as 2019/20) of the contract value sole sourced were awarded to Inuit/Nunavut firms, 93% was awarded to Other.

In 2019/20, only 9% of the contract value Sole Sourced was to combine Inuit and Nunavut firms and 91% to Other.

The trend for the fifteen (15) years, 2006/07 to 2020/21 had been that over 90% of the value of contracts Sole Sourced in this contract range are awarded to Non-Inuit and Non-Nunavut firms. In the fiscal year 2021/22 we see a slight shift to 88%.

Sole Source Discussion

The Criteria for Sole Sourcing a Contract are set out in Section 4.3 (c) and Section 21 of the Regulations to the NNI Implementation Act. The NNI does not apply to:

a sole sourced Contract for the supply of goods, services, real property or construction where the Contract Authority reasonably believes:

(i) that the supply thereof is urgently required, and delay would be injurious to the public interest,

(ii) only one party is available and capable of performing the Contract; or

(iii) the value of the Contract will not exceed $25,000 in the case of a Contract for architectural or engineering services, or $5,000 in the case of any other type of Contract;

21.0 Sole Source Contract Awards to Inuit Firms

21.1 Taking into account the objectives of the Agreement and subject to the Government Contract Regulations, a Contract Authority may award a Contract to an Inuit Firm without conducting a competitive Procurement Process.

21.2 The Government Contract Regulations, where applicable, and the following factors shall be taken into account when deciding to award a sole source Contract under section 21.1:

(a) the need to build capacity for Inuit Firms in the region where the Contract will be performed;

(b) the extent to which a sole source Contract will contribute to community and regional economic development;

(c) the nature and value of the goods or services or construction; and

(d) the potential cost implications associated with awarding a Contract without administering a competitive Procurement Process.

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 Sole Source situations.

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

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

Also, in some situations it is not advisable to issue a competitive call for tenders or proposals, by invitation or advertisement. In these situations, the delay caused by the tender or RFP period would be harmful to person(s) or end users of the good or service. These are emergency situations where if the government doesn't act immediately, there will be some form of public harm or injury. For example, in the early summer of 2008 a bridge collapsed in Pangnirtung leaving the community cut off from critical municipal services. This is not to say that all emergencies or public harm is strictly a health and safety hazard. Indeed, many situations call for government action to improve the emotional health and well being of the public as well. In 2011/12 fiscal year the community of Arviat experienced critical water emergencies which required many Sole Source purchases. In 2012/13, the community of Resolute Bay experienced a fuel spill which needed to be dealt with immediately. In the fiscal year 2017/18, the Department of Health required that a tuberculosis (TB) screening and treatment centre be established in Qikiqtarjuaq. This required multiple Sole Source Contracts. In March of 2020, the global COVID-19 pandemic required that isolation hubs needed to be established in Southern Canada. These isolation hubs were established in less than 3 days. Public Tendering for the required service would have taken a minimum of 14 days. The pandemic required an immediate response. Note: Most of the COVID-19 pandemic sole source contracts started to be reported in the CAR/PAR reports for the 2020/21 fiscal year and continued in 2021/22.

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. 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:

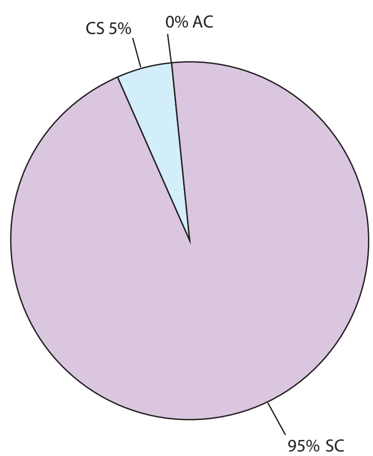
- Specialized Residential Care, Department of Health and the Department of Family Services
- Proprietary Training Courses, including NAC
- Proprietary Software and Maintenance contracts for software
- Air Search and Rescue
- Emergency response contracts such as search and rescue and fuel spill containment.

A detailed Sole Source Contract list can be found in the 2021/22 Procurement Activity Report (PAR) Appendix B.

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 – Base 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
2021/22



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

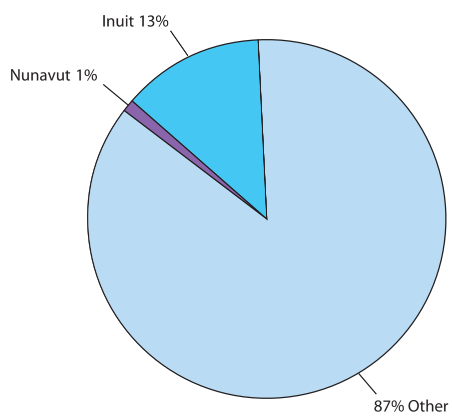
Sole Source – Other Businesses	2021/22		2020/21		2019/20	
Air Charter (AC)	$ 28	-%	$ 300	4%	$ 314	6%
Architectural/Engineering (AE)	-	-	-	-	-	-
Construction (CON)	-	-	-	-	-	-
Consulting Services (CS)	373	5	369	5	214	4
Minor Construction or Maintenance Services (MC)	-	-	86	1	-	-
Service Contracts (SC)	7,645	95	6,989	90	4,570	90
Total	$ 8,046	100%	$7,744	100%	$ 5,098	100%

From the table above, we see that there is an increase in the total value of Sole Source contracts to "Other" from 2019/20 to 2021/22. This increase is 58% in value. These are largely Service Contracts and Consulting Service 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
2021/22



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

Year	Awarded	Inuit		Nunavut		Other	
2021/22	152	19	13%	1	1%	132	87%
2020/21	141	9	6	4	3	128	91
2019/20	99	5	5	3	3	91	92

In 2021/22, of the five hundred ninety-five (595) contracts in the >$25,000 to <=$100,000 dollar threshold category, one hundred fifty-two (152) or 26% were the result of Sole Source awards. Of the one hundred fifty-two (152) Sole Source awards, 87% went to "Other".

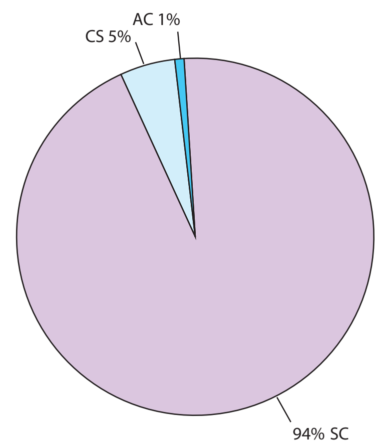
In 2020/21, of the total volume of five hundred fifteen (515) contracts in the >$25,000 to <=$100,000 dollar threshold category, one hundred forty-one (141) were the result of Sole Source awards (27%). The majority of the contracts (91%) were awarded to "Other". Only 9% were awarded to Inuit and Nunavut companies.

In 2019/20, of the total volume of five hundred and thirteen (513) contracts in the >$25,000 to <=$100,000 dollar threshold category, ninety-nine (99) were the result of Sole Source awards (19%). Of the ninety-nine (99) Sole Source awards, 92% went to Other. This represents a 2% decrease from 2018/19. This shows a decrease of twenty-eight (28) contracts.

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
2021/22



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

Sole Source – Other Businesses	2021/22		2020/21		2019/20	
Air Charter (AC)	1	1%	5	4%	7	8%
Architectural/Engineering (AE)	-	-	-	-	-	-
Construction (CON)	-	-	-	-	-	-
Consulting Services (CS)	7	5	6	5	4	4
Minor Construction or Maintenance Services (MC)	-	-	2	2	-	-
Service Contracts (SC)	124	94	115	90	80	88
Total	132	100%	128	101%	91	100%

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

In 2021/22, 99% of the volume of Sole Source awards to Other (non-registered) were for two (2) Contract Types: Consulting Services and Service Contracts.

In 2020/21, 95% of Sole Source contracts to Other were Service Contracts and Consulting Services contracts.

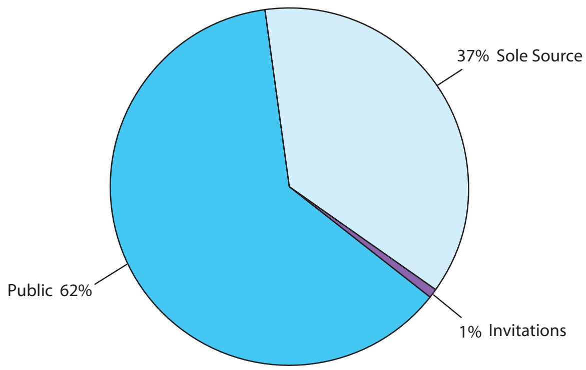
In 2019/20, 92% of Sole Source contracts to Other were Service Contracts and Consulting Services.

The sixteen (16) 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
2021/22



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

Year	Awarded	Public		Invitations		Sole Source	
2021/22	$399,642	$248,261	62%	$3,662	1%	$147,719	37%
2020/21	191,672	115,343	60	940	-	75,389	39
2019/20	428,836	367,227	86	1,926	-	59,683	14

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 2021/22, of the total value of $399,642,000, Public or Invitational Requests for Tenders or Proposals totaled $251,923,000 or 63%; and Sole Sources totaled $147,719,000 or 37%.

In 2020/21, of the total value $191,672,000 Public and Invitational Requests for Tenders or Proposals totaled $116,283,000 or 60%; and Sole Sources totaled $75,389,000 or 39%. The significant increase in Sole Source contracts in this category from 2019/20 to 2020/21 is due to the Sole Source contracts required to respond to the COVID-19 pandemic.

In 2019/20, of the total value of $428,836,000, Public or Invitational Requests for Tenders or Proposals totaled $369,153,000 or 86%; and Sole Sources totaled $59,683,000 or 14%.

For the three (3) years covered by this report and from the table above we see that Sole Sources in this category have increased by 247% in real dollars from 2019/20 to 2021/22.

In 2021/22 there were 10 large sole sourced contracts required due to the COVID-19 pandemic. The contracts totalled approximately $26 million.

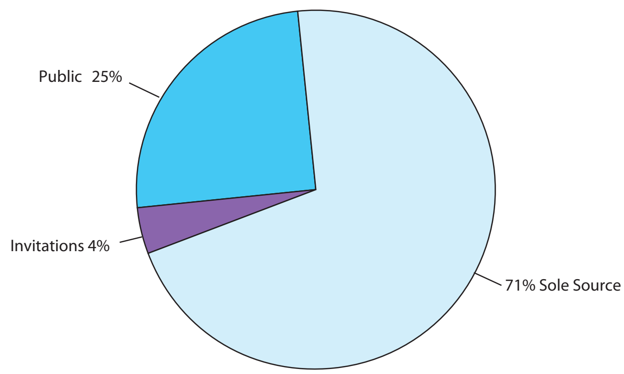
In 2020/21, there were 12 large Sole Source contracts that were put into place in response to the COVID-19 pandemic. These contracts alone total to over $86 million. This contract listing is available in the 2020/21 Procurement Activity Report, Appendix B.

In 2019/20 there were two large Air Charter contracts awarded due to the COVID-19 pandemic. These contracts total over $3 million.

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
2021/22



Distribution of Contracts by Contract Method – Based on Volume

Year	Awarded	Public		Invitations		Sole Source	
2021/22	381	94	25%	15	4%	272	71%
2020/21	335	92	27	3	1	240	72
2019/20	271	102	38	11	4	158	58

In 2021/22, of the three hundred eighty-one (381) contracts awarded in the >$100,000 value threshold, one hundred and nine (109) or 29% resulted from a competitive process and two hundred seventy-two (272) or 71% resulted from Sole Source contracts.

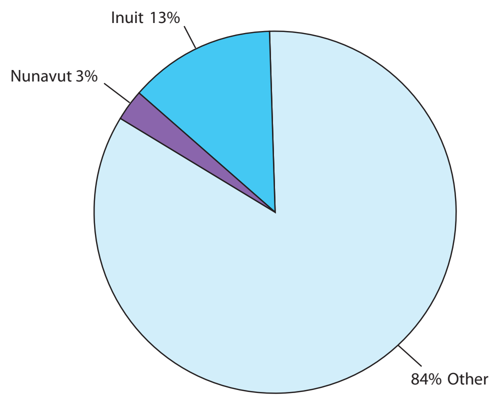
In 2020/21, of the three hundred thirty-five (335) contracts awarded in the >$100,000 value threshold awarded, ninety-five (95) or 28% resulted from Tenders or Proposals and 240 or 72% resulted from non-competitive Sole Sourcing.

In 2019/20, of the two hundred seventy-one (271) contracts awarded in the >$100,000 value threshold, one hundred thirteen (113) or 42% resulted from a competitive process and one hundred fifty-eight (158) or 58% resulted from Sole Source contracts.

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
2021/22



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

Year	Awarded	Inuit		Nunavut		Other	
2021/22	$147,719	$19,212	13%	$4,331	3%	$124,176	84%
2020/21	75,389	7,608	10	-	-	67,781	90
2019/20	59,684	3,046	5	-	-	56,638	95

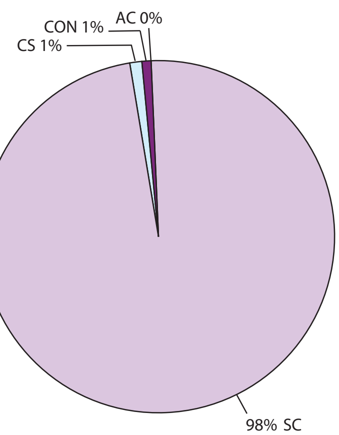
The pie chart and corresponding table above shows that Sole Sourced contracts of value over $100,000 are largely awarded to Other (Non-Inuit and Non-Nunavut contractors). This has been consistent over the last sixteen (16) years of this report.

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
2021/22



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

Sole Source – Other Businesses	2021/22		2020/21		2019/20	
Air Charter (AC)	$ 597	-%	$ 831	1%	$ 456	1%
Architectural/Engineering (AE)	-	-	-	-	-	-
Construction (CON)	1,537	1	-	-	-	-
Consulting Services (CS)	787	1	2,011	3	3,028	5
Minor Construction or Maintenance Services (MC)	-	-	264	-	-	-
Service Contracts (SC)	121,255	98	64,674	95	53,154	94
Total	$124,176	100%	$67,780	99%	$56,638	100%

In 2021/22, of the $147,719,000 awarded as Sole Source contracts, $124,176,000 were awarded to Other. Of the contracts awarded to Other, 98% were for Service Contracts.

In 2020/21, of the $75,389,000 awarded as Sole Source contracts, $67,780,000 were awarded to Other. Of the contracts awarded to Other, 95% were for Service Contracts.

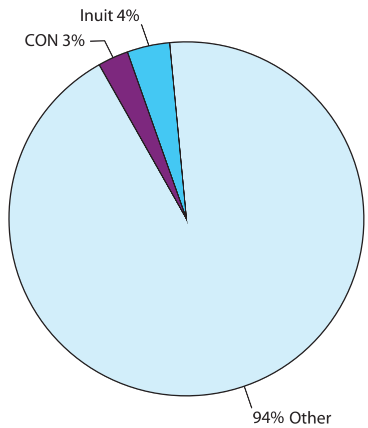
In 2019/20, of the $59,684,000 awarded as Sole Source contracts, $56,638,000 were awarded to Other. Of the contracts awarded to Other, 94% were for Service Contracts.

Clearly, it is common that over 90% of the Sole Source contracts awarded to Other are in the form of Service Contracts.

Contracts >$100,000, Status, Volume

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

Government of Nunavut
Distribution of Sole Source Contracts >$100,000
By Status Category – Based on Volume
2021/22



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

Year	Awarded	Inuit		Nunavut		Other	
2021/22	272	10	4%	7	3%	255	94%
2020/21	240	9	4	-	-	231	96
2019/20	158	4	3	-	-	154	97

From the table above, in 2021/22, out of the two hundred seventy-two (272) Sole Source contracts awarded, two hundred fifty-five (255) or 94% were awarded to Other businesses (not registered as Inuit or Nunavut firms).

From the table above, in 2020/21, out of the two hundred and forty (240) Sole Source contract awards, 96% went to Other businesses (not registered as Inuit or Nunavut firms).

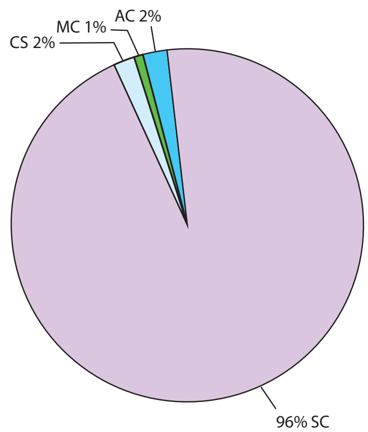
From the table above, in 2019/20, out of the one hundred fifty-eight (158) Sole Source contracts awarded, one hundred fifty-four (154) or 97% were awarded to Other businesses (not registered as Inuit or Nunavut firms).

The chart above and historical numbers show that 90-97% proportionate share of Sole Source contracts in the Value category over $100,000 are awarded to "Other" contractors. This trend is true for the last fifteen (15) 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
2021/22



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

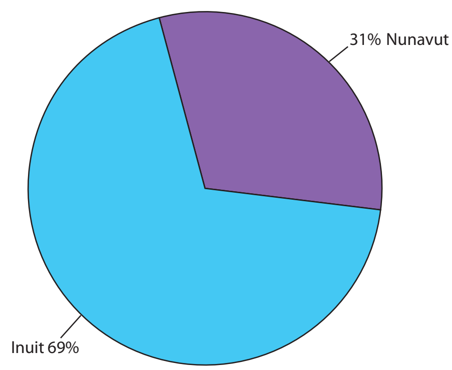
Sole Source – Other Businesses	2021/22		2020/21		2019/20	
Air Charter (AC)	4	2%	5	2%	3	2%
Architectural/Engineering (AE)	-	-	-	-	-	-
Construction (CON)	2	1	-	-	-	-
Consulting Services (CS)	5	2	7	3	9	6
Minor Construction or Maintenance Services (MC)	-	-	2	1	-	-
Service Contracts (SC)	244	96	217	94	142	92
Total	255	101%	231	100%	154	100%

From the chart above and over the last sixteen (16) 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
2021/22



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

Type	2021/22		2020/21		2019/20	
Inuit	$2,354	69%	$2,729	68%	$2,332	70%
Nunavut	1,078	31	1,284	32	1,016	30
Total	$3,432	100%	$4,013	100%	$3,348	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 2021/22, of the $33,061,000 of contracts in the >$25,000 to <$100,000 dollar value range, excluding Purchase Orders, a total of $3,432,000 was awarded to Local Inuit and Nunavut businesses. Of this $3,432,000 value, $2,354,000 was awarded to Local Inuit firms (69%) and $1,078,000 (31%) was awarded to Local Nunavut firms.

In 2020/21 of the $28,887,000 of contracts in the >$25,000 to <=$100,000 dollar value range, excluding Purchase Orders, a total of $4,013,000 was awarded to Local Inuit and Nunavut businesses. Of this $4,013,000 value, $2,729,000 was awarded to Local Inuit firms (68%) and $1,284,000 was awarded to Local Nunavut firms (32%).

In 2019/20, of the $27,732,000 of contracts in the >$25,000 to <=$100,000 dollar value range, excluding Purchase Orders, a total of $3,348,000 was awarded to Local Inuit and Nunavut businesses. Of that $3,348,000 value, $2,332,000 was awarded to Local Inuit firms (70%) and $1,016,000 was awarded to Local Nunavut firms, (30%).

From this three (3) 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 Regulations as approved Nunavut Businesses are eligible for the full 25% of bid adjustments permitted under the NNI Regulations rather than just 20%.

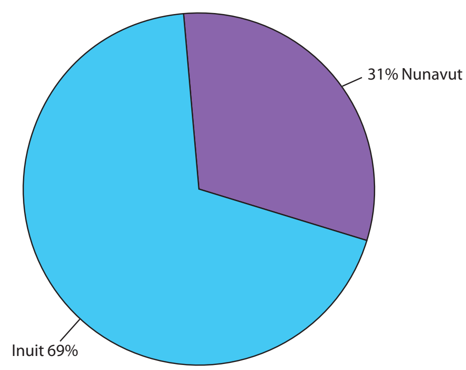
Note: Hamlets, Housing Authorities, Nunavut Arctic College and Inuit organizations are not Local under the NNI Regulations because they are not businesses registered with NTI as Inuit Firms, or with the GN as Nunavut Businesses.

The NNI Implementation Act and its regulations came into force on April 01, 2017. The new NNI Regulations increased the total possible bid adjustments from 21% to 25%. This included an increase from 7% to 15% for 100% owned Inuit Firms.

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
2021/22



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

Type	2021/22		2020/21		2019/20	
Inuit	44	69%	55	73%	44	71%
Nunavut	20	31	20	27	18	29
Total	64	100%	75	100%	62	100%

In 2021/22, of the five hundred ninety-five (595) contracts excluding Purchase Orders in this value range, sixty-four (64) were awarded to Local Inuit and Nunavut businesses (11%). Of the sixty-four (64) contracts, forty-four (44) were awarded to Local Inuit firms (69%) and twenty (20) were awarded to Local Nunavut firms (31%).

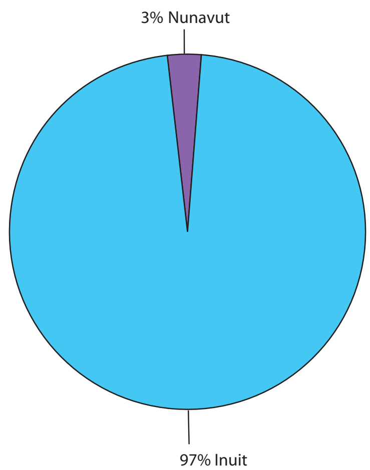
In 2020/21, of the five hundred fifteen (515) contracts excluding Purchase Orders in this value range, seventy-five (75) were awarded to Local Inuit and Nunavut businesses (15%). Of the seventy-five (75) contracts, fifty-five (55) were awarded to Local Inuit firms (73%) and twenty (20) were awarded to Local Nunavut firms (27%).

In 2019/20, of the five hundred thirteen (513) contracts excluding Purchase Orders in this value range, sixty-two (62) were awarded to Local Inuit and Nunavut businesses (12%). Of the sixty-two (62) contracts, 44 or 71% were awarded to Inuit Firms and eighteen (18) or 29% 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
2021/22



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

Type	2021/22		2020/21		2019/20	
Inuit	$145,050	97%	$45,760	97%	$35,969	89%
Nunavut	4,001	3	1,434	3	4,417	11
Total	$149,051	100%	$47,194	100%	$40,386	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 2021/22, of the $506,152,000 of contracts in this category $149,051,000 was awarded to Local Inuit or Nunavut firms (29%). Of the $149,051,000, 97% or $145,050,000 was awarded to Local Inuit firms, and 3% or $4,001,000 was awarded to Local Nunavut businesses.

In 2020/21, of the $271,765,000 (rounded to the nearest thousand) of contracts above the >$100,000 dollar value threshold, excluding Purchase Orders, $47,194,000 (rounded to the nearest thousand) was awarded to Local Inuit and Nunavut Businesses (17%). Of the $47,194,000, $45,760,000 was awarded to Local Inuit firms (97%), and $1,434,000 was awarded to Local Nunavut businesses (3%).

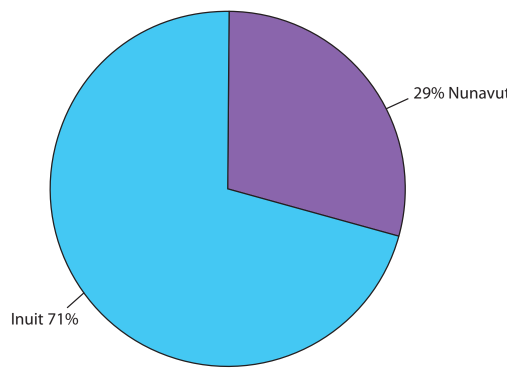
In 2019/20, of the $476,492,000 of contracts above the >$100,000 dollar value threshold, excluding Purchase Orders, $40,386,000 or 8% was awarded to Local Inuit and Nunavut businesses. Of this amount 89% or $35,969,000 was awarded to Inuit firms and 11% or $4,417,000 was awarded to Nunavut firms.

A thirteen (13) year analysis shows clearly that Inuit firms consistently win more contracts (volume) and higher dollar value, in this dollar range than Nunavut firms, however, firms with Inuit and Nunavut status are included in the Inuit statistics.

Contracts >$100,000, Local, Volume

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

Government of Nunavut
Contracts Awarded to Local Business – Based on Volume
For Contracts >$100,000
Excluding Goods
2021/22



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

Type	2021/22		2020/21		2019/20	
Inuit	45	71%	54	92%	47	76%
Nunavut	18	29	5	8	15	24
Total	63	100%	59	100%	62	100%

In 2021/22, of the seven hundred ten (710) awarded contracts in the >$100,000 dollar value range, excluding purchase orders, sixty-three (63) or 9%, were awarded to Local Inuit and Nunavut businesses. Of the sixty-three (63) contracts, forty-five (45) or 71% were awarded to Local Inuit firms and eighteen (18) or 29% were awarded to Local Nunavut firms.

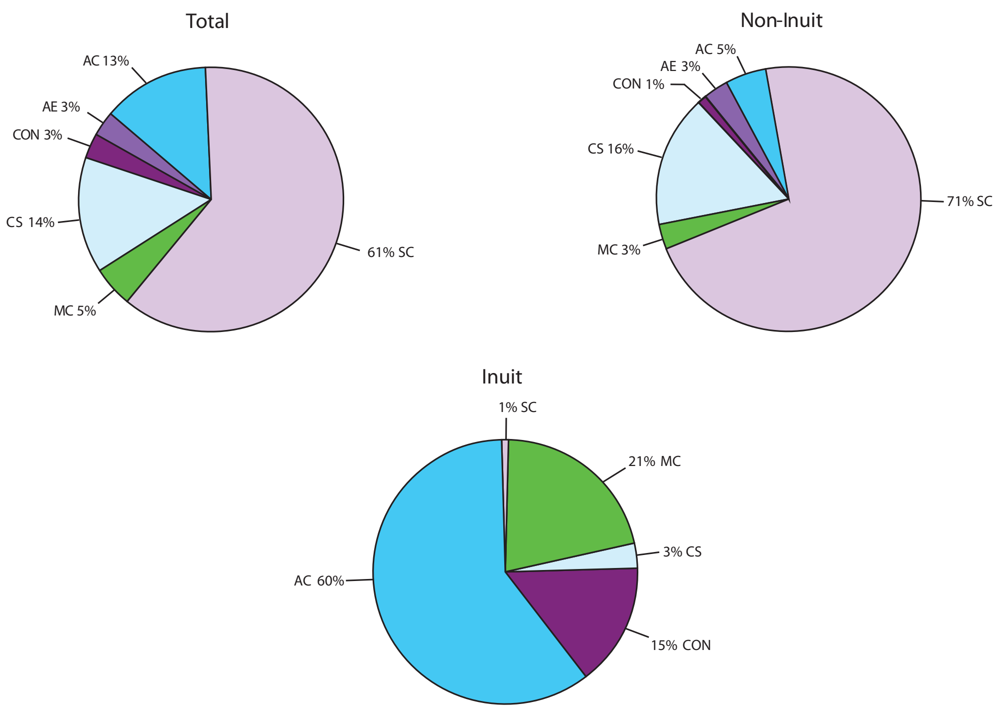
In 2020/21, of the six hundred fifty (650) awarded contracts in the >$100,000 dollar value range, excluding Purchase Orders, fifty-nine (59) were awarded to Local Inuit and Nunavut Businesses (9%). Of the fifty-nine (59) contracts, fifty-four (54) were awarded to Local Inuit firms (92%) and five (5) were awarded to Local Nunavut businesses (8%).

In 2019/20, of the four hundred sixty-five (465) awarded contracts in the >$100,000 dollar value range, excluding Purchase Orders, sixty-two (62) or 13% were awarded to Inuit and Nunavut businesses. Of the sixty-two (62) contracts, forty-seven (47) or 76% were awarded to Inuit firms and fifteen (15) or 24% were awarded to Nunavut firms.

5. Submissions Received

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

Government of Nunavut
Distribution of Submissions Received Between Inuit and Non-Inuit Firms
Based on Volume
Excluding Goods and Sole Source
2021/22



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

2021/22

Type	Total		Inuit		Non-Inuit	
Air Charter (AC)	198	13%	128	65%	70	35%
Architectural/Engineering (AE)	45	3	-	-	45	100
Construction (CON)	51	3	32	63	19	37
Consulting Services (CS)	214	14	6	3	208	97
Minor Construction or Maintenance Services (MC)	80	5	46	58	34	43
Service Contracts (SC)	914	61	3	-	911	100
Total	1,502	100%	215	14%	1,287	86%

2020/21

Type	Total		Inuit		Non-Inuit	
Air Charter (AC)	224	15%	123	55%	101	45%
Architectural/Engineering (AE)	38	3	1	3	37	97
Construction (CON)	34	2	26	76	8	24
Consulting Services (CS)	195	13	3	2	192	98
Minor Construction or Maintenance Services (MC)	132	9	85	64	47	36
Service Contracts (SC)	838	57	14	2	824	98
Total	1,461	100%	252	17%	1,209	83%

2019/20

Type	Total		Inuit		Non-Inuit	
Air Charter (AC)	255	17%	142	56%	113	44%
Architectural/Engineering (AE)	21	1	1	5	20	95
Construction (CON)	51	3	62	122	(11)	(22)
Consulting Services (CS)	382	25	2	1	380	99
Minor Construction or Maintenance Services (MC)	155	10	87	56	68	44
Service Contracts (SC)	674	44	10	1	664	99
Total	1,538	100%	304	20%	1,234	80%

In 2021/22 we see a further decrease in the submissions from Inuit firms. The decrease shows a 15% decline, however we also note a 3% increase in the total volume of submissions. Over the three years of this report, we see a decrease of almost 30% of submissions from Inuit firms.

In 2020/21, we see that the total number of submissions has decreased slightly by approximately 4% or 60 bids. The volume from Inuit firms has decreased by 15% and the volume from Other has decreased by only 1% or 14 bids.

In 2019/20, we see that the total number of submissions has decreased by 12%. The volume from Inuit firms has decreased by 16% and the volume from Other firms has decreased by 11%.

Over the three (3) years covered by the chart above, an average 83% (on average) of submissions are from non-Inuit firms and 17% 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.

	2021/22			2020/21			2019/20		
	Avg % Required	Avg % Bid	Avg % Achieved	Avg % Required	Avg % Bid	Avg % Achieved	Avg % Required	Avg % Bid	Avg % Achieved
Across Nunavut	58%	62%	63%	52%	59%	59%	42%	40%	52%
Baffin	62	62	62	50	65	72	18	18	27
Kitikmeot	48	60	56	47	45	35	36	37	32
Kivalliq	64	64	70	60	66	70	50	47	61

The values provided for Minor Construction Contracts across Nunavut over the last three fiscal years indicate that across Nunavut contractors on average are able to exceed the minimum requirements, both in their bids, and throughout the contract. However, in 2019/20, and 2020/21 in the Kitikmeot Region, the rates achieved fall short by 4% and 12% respectively.

In the year 2021/22, all Regions achieved or exceeded the required levels of Inuit Labour for Minor Construction.

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.

	2021/22			2020/21			2019/20		
	Avg % Required	Avg % Bid	Avg % Achieved	Avg % Required	Avg % Bid	Avg % Achieved	Avg % Required	Avg % Bid	Avg % Achieved
Across Nunavut	28%	28%	32%	36%	37%	32%	29%	33%	33%
Baffin	28	28	32	25	26	27	27	28	30
Kitikmeot	30	30	31	45	45	49	33	35	36
Kivalliq	26	26	35	39	40	21	32	41	38

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

For the years 2017/18 and 2019/20 contractors on average are able to exceed the minimum requirements, at contract performance. In 2018/19 and 2020/21 we see that the Kivalliq Region fell short by 1% and 18% respectively.

In 2020/21, the Nunavut average Labour required fell short of the achievable rate. This is due to 3 (three) contracts in the Kivalliq Region that were cancelled because of contractors failure to deliver on the contracts.

In the year 2021/22, all Regions achieved or exceeded the required levels of Inuit Labour for Major Construction.

For both Minor Construction and Major Construction, contractors often tend to bid higher labour rates than are required. This allows them to receive higher bid adjustments.

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

	2021/22		2020/21		2019/20	
	Bonuses	Penalties	Bonuses	Penalties	Bonuses	Penalties
Across Nunavut	$92,624		$574,168	$169,555	$627,547	$234,736
Baffin	$50,610		$475,634	$109,902	$180,793	$ 23,096
Kitikmeot	$11,787		$ 48,189	$ 37,085	$188,640	$135,362
Kivalliq	$30,225		$ 50,314	$ 22,567	$303,112	$ 76,277

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

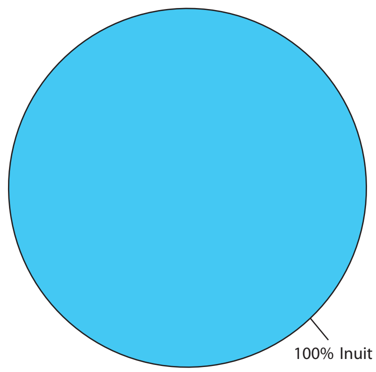
The above figures reflect Bonuses and Penalties paid out or collected in each year of the respective fiscal years. In the fiscal years 2019/20 to 2021/22 the amount of bonuses exceeded the penalties.

The required minimum Inuit labour rates for construction and maintenance service contracts are determined by the project officers. In determining the applicable rate, they consider factors such as the availability of labour in the community and what other projects are ongoing within the community competing for the same skilled labour. The Inuit labour rates are designed to provide employment and experience for Inuit labour and incentivise the construction companies to maximize the levels of Inuit labour.

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
2021/22



* Zero Data Nunavut

Distribution of NNI Awarded Contracts – Based on Value

Contract Excluding Goods and Sole Source	2021/22		2020/21		2019/20	
Inuit	$849,360	100%	$5,820,843	100%	$5,135,323	100%
Total	$849,360	100%	$5,820,843	100%	$5,135,323	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 2021/22, for contracts not including goods, $849,360 total value of contracts were impacted by the NNI Regulations application. This represents 6 contracts. Of the 6 contracts, 4 were for Air Charters and 2 for "As and When" Maintenance contracts.

In 2020/21, for contracts not including goods, $5,820,843 total value of contracts were impacted by the NNI Regulations application. This represents 9 contracts. Of the 9 contracts, 4 were for Air Charters, 3 were for "As and When" Maintenance contracts and 2 were for Major Works Construction contracts.

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 thirteen (13) 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. As of April 01, 2017, Inuit Firms with a greater percentage of Inuit ownership receive a greater adjustment. This is outlined in the NNI Regulations.

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.

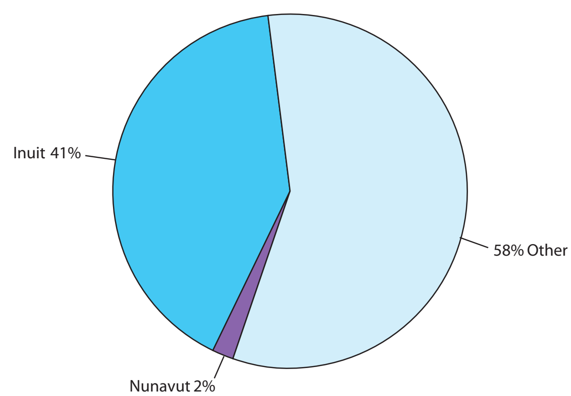
For a more complete analysis of contracts awarded due to the application of the NNI Regulations, refer to the “General Observations” section in the front of this report.

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 Regulations section 25.5.

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
2021/22



	2021/22		2020/21	
Inuit	$257,743	41%	$103,857	21%
Nunavut	11,178	2	6,806	1
Other	365,458	58	378,302	77
Total	$634,379	101%	$488,965	99%

The value of all contracts increased by 30% for the 2021/22 fiscal year.

The value of contracts to Inuit increased by 248%;

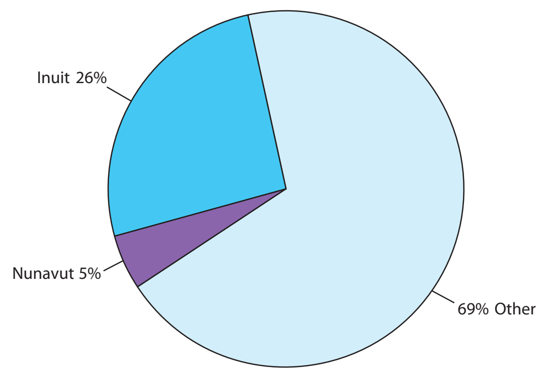
The value of contracts to Nunavut increased by 64%; and

The value of contracts to Other decreased by 3%.

It should be noted that Inuit and Nunavut companies must renew their status every two (2) years. 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
2021/22



	2021/22		2020/21	
Inuit	675	26%	831	30%
Nunavut	120	5	88	3
Other	1,753	69	1,816	66
Total	2,548	100%	2,735	99%

The overall volume of contracts decreased by 6.8% in 2021/22.

The volume of contracts to Inuit decreased by 19%;

The volume of contracts to Nunavut increased by 36%;

The volume of contracts to Other decreased by 3%.

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
HLTH	Health
HR	Human Resources
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
SV	Sole Supplier or Vendor