



GOVERNMENT OF NUNAVUT

Annual Contract Data Report

Prepared by
Community and Government Services Department
Purchasing, Logistics & Contract Support

Fiscal Year 2004/05



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Introduction

This Report presents statistical information about contracts by GN Departments as reported to CGS Purchasing, Logistics & Contract Support with the exception of Real Property Lease Contracts which are reported separately. The organization of this report is based on Section 16 of the Government of Nunavut (GN) Contract Procedures Manual. Information in this report is for GN contracting activity during the 2004/2005 fiscal year with Inuit Labour Achievement updates for construction contracts awarded the previous fiscal year. Crown Corporation contracting activities are not reported to CGS and are, therefore, not included in this report.

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

Definition of Terms

"Contracting Method": refers to the way a contract is awarded. There are, primarily, three ways of awarding contracts in the GN; Requesting Tenders, Requesting Proposals and Sole Sourcing. Another way of awarding a contract is by negotiation, however, only Cabinet can award or approve awarding without competition when competition is available.

"Goods": means contracts for the purchase of goods or "Purchase Orders". Goods contracts are primarily awarded by the CGS Purchasing Section on behalf of GN Departments.

"Inuit" or "Inuit Firm": means a company that is 51% owned by Inuit and is included on the Nunavut Tunngavik Inc. (NTI) Inuit Firms Listing at the time the contract is awarded.

"Large Contracts": are Goods contracts with a value of \$5,000 and greater, and all other Contract Types with a value of \$25,000 and greater.

"Local": means an Inuit Firm or Nunavut Businesses who's business is based in the community where the work or goods are required.

"Local Contract Authority" or "LCA": means authority to contract, using an LCA form, for goods and services that do not exceed \$5,000 in value. Use of this form is restricted to contracting with parties located in Nunavut.

"Nunavut": means a company that is 51% owned by Nunavut Residents and is included on the GN's Registry of Approved Nunavut Businesses at the time the contract is awarded.



"Other": means companies, persons or organizations that were not registered with NTI or the GN at the time the contract was awarded.

"Small Contracts": includes Goods Contracts under \$5,000 and all other Contract Types under \$25,000, and does not include Local Contract Authority (LCA) contracts.

"Sole Source": means awarding a contract without a competitive request for tenders or proposals where special circumstances apply; these are noted on Page 19 of this report.

Report Summary

This is a summary of the Report, highlighting the participation of Inuit and Nunavut firms, and Inuit labour in GN contracts. Corresponding page numbers ("p.") are provided.

- **All Contracts**: 9,917 contracts were awarded in 2004/2005 fiscal year; 39% were to Inuit, and 22% to Nunavut. The total dollar value of all contracts was \$87,122,084.09: 14% of dollars to Inuit, and 46% to Nunavut, p.8.
- **Local Contract Authority (LCA)**: 8,401 LCAs were issued; 42% were to Inuit, and 21% to Nunavut. The total dollar value of LCAs was \$3,309,419.02: 38% of dollars to Inuit, and 36% to Nunavut, p.10.
- **Small Contracts**: 918 Small Contracts were awarded; 20% were to Inuit, and 22% to Nunavut. The total dollar value of Small Contracts was \$3,504,388.71: 23% of dollars to Inuit, and 21% to Nunavut, 11.
- **Large Contracts - Including Goods**: 598 Large Contracts were awarded; 29% were to Inuit firms, and 30% to Nunavut. The total dollar value of Large Contracts was \$80,308,276.36: 13% of dollars to Inuit, and 47% to Nunavut, p.12.
- **Large Contracts - Excluding Goods**: 190 contracts were awarded; 26% were to Inuit, 22% to Nunavut. The total dollar value of these contracts was \$71,160,511.48: 11% of value to Inuit and 49% of value to Nunavut, p.13.
 - **Contract Type Analysis**: For the 190 Large Contracts - Excluding Goods 92% of contracts were for Consulting Services, Major Construction, Minor Construction and Maintenance and Service Contracts. 83% of the value was for Major Construction and Service Contracts.
 - Contract Types that Inuit and Nunavut firms won most often were Air Charters (67%), Major Construction (38% Inuit, 46% Nunavut) and Minor Construction & Maintenance (45% Inuit, 34% Nunavut).
 - Contract Types where most dollars went to Inuit and Nunavut firms were for Air Charters (40% to Inuit), Major Construction (60% to Nunavut) and Service Contracts (46% to Nunavut).



- **Contract Method Analysis:** Out of the 190 Large Contracts - Excluding Goods – 117 contracts resulted from competitive bid/proposal submissions (62%) and 73 contracts resulted from sole source awards (38%).
 - Of the \$71,160,511.48 total value, \$66,284,411.39 resulted from competitive bid/proposal submissions (93%) and \$4,876,100.09 resulted from sole source awards (7%).
- **Sole Source Method Analysis:** Most of the contracts and most of the dollar value for them went to companies that were not Inuit or Nunavut. These contracts were mainly for Consulting Services and Service Contracts, p.19.
- **Awards to Local Businesses:** Out of the 190 Large Contracts - Excluding Goods – 60 contracts were awarded to Local businesses: 35 of the 60 contracts went to Inuit firms (58%), and 25 of the 60 contracts went to Nunavut firms (42%). The dollar value for Local contracts was \$31,428,322.13; of this dollar value, \$4,591,785.55 went to Local Inuit firms (15%), and \$26,836,563.58 went to Local Nunavut (85%), p.20.
- **Submissions Received:** Considering the main contract types for Small and Large Contracts (excluding Goods and LCAs and Sole Source Awards), in general where Inuit firms are bidding, they are winning a significant percentage of the contracts, p.21.
 - For Minor Construction and Maintenance Services, Inuit firms submitted 52% of the bids, and won 50% of the contracts. For Major Construction, Inuit firms submitted 36% of the bids, and won 38% of the contracts.
 - On average, there were 2 bids received for Minor Works Construction and Maintenance Services (under \$100,000.00), and 3 for Major Works Construction (over \$100,000.00).
- **Inuit Labour:** Based on 2004/2005 bid information, it is anticipated that approximately \$191,278.17 in bonuses would be paid out. Based on contracts completed to date, it appears that Contractors are exceeding the minimum requirements for Inuit Labor in Minor and Major Construction contracts and receiving bonuses even though they may not be achieving the levels proposed in their bids.
 - For Minor Construction and Maintenance Services Contracts across Nunavut, an average of 33% minimum Inuit labour was required; on average, bidders committed to 61% in their bid documents, and actually achieved 56%. An update of Inuit Labour Achievements for 2003/2004 fiscal year contracts is also provided, p.23.



- For Major Construction across Nunavut, an average of 24% Inuit labour was required; on average, bidders committed to 26%, and, based on contracts completed to date, contractors have achieved 22%. An update of Inuit Labour Achievements for 2003/2004 fiscal year contracts is also provided, p.24.
- Based on contracts completed to date, \$100,825.01 has actually been paid out for Inuit labour achievements and \$4,413.57 in penalties was assessed, p.25.
- When multi-year projects are completed, the final payroll information will be reported and an update will be provided for 2004/2005 Inuit Labour Achievements in next year's data report.
- **Contracts Awarded due to NNI Adjustments:** For Small and Large contracts (excluding Goods, LCAs and Sole Source Awards), 6% of contracts, and 22% of the value, were awarded due to NNI Adjustments, p.27.
 - 11 contracts (out of 177) were awarded due to NNI Adjustments: 64% of awards due to NNI adjustments were to Inuit firms, and 36% to Nunavut.
 - The value of contracts awarded due to NNI adjustments was \$15,852,970.44 (out of \$66,976,536.75 for competitive contracts): 2% of awards due to NNI adjustments were to Inuit, and 98% to Nunavut.
 - Inuit and Nunavut firms won most contracts because of competitive pricing rather than because of NNI adjustments.
- **Comparison to Previous Fiscal Year:** Contracts awarded in 2004/2005 fiscal year under the Revised NNI Policy are not compared to contracts awarded in previous fiscal years under the previous NNI Policy, p.28.

Report Overview

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 Firms Registry and
- 3) Other – not registered as an Inuit or a Nunavut firm.

The report also analyzes the participation of Inuit firms competing for GN contracts, and the employment of Inuit in GN construction and maintenance contracts. Charts and graphs are used to illustrate the statistics presented.



Note: Inuit firm and Nunavut firm Status

For this Section, and all subsequent sections of this report, 3 Status categories are used:

- Inuit – listed on the NTI Inuit firms Registry,
- Nunavut – listed on the GN Nunavut Business Registry, and
- Other – not registered.
 - 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 the NWT and southern Canada.

SECTION 1, 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, Local Contract Authorities (LCA), and for all other Contract Types is provided.

SECTION 2, Small Contracts, includes Goods Contracts under \$5,000 and all other Contract Types under \$25,000, and does not include Local Contract Authority (LCA) contracts. A breakdown of the number and value of Small Contracts to Inuit and Nunavut firms is provided.

SECTION 3, Local Contract Authority (LCA), includes only LCA purchases. LCAs are contracts for local goods and services that do exceed \$5,000 in value and are restricted to use inside Nunavut only. A breakdown of the number and value of LCAs to Nunavut and Inuit firms is provided.

SECTION 4, Large Contracts - Including Goods, includes Goods contracts with a value of \$5,000 and greater, and all other Contract Types with a value of \$25,000 and greater. A breakdown of the number and value of Large Contracts - Including Goods to Inuit and Nunavut firms is provided.

SECTION 5, Analysis of Large Contracts - Excluding Goods, includes all Contract Types with a value of \$25,000 and greater, and does not include Goods contracts. These Contracts are analyzed by Status and are further analyzed in sub-sections 5.1 by Contract Types and 5.2 by Contracting Methods. Sub-section 5.3 is an analysis of awards to Local Inuit and Nunavut businesses.



5.1 Contract Types: looks at Air Charters, Architectural/Engineering Services, Consulting Services, Major and Minor Construction and Maintenance Services and Services Contracts. The number and value of contracts for each type are provided and illustrated in pie charts.

5.2 Contracting Methods: looks at contracts awarded by Public, Invitational and Sole Source contracting methods. The number and value of contracts for each method are illustrated in pie charts.

5.3 Awards 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 and/or services are required. The number and value of contracts to Local are illustrated in pie charts.

SECTION 6, Analysis of Submissions Received, provides information about the number and status of firms bidding for Small and Large Contracts - Excluding Goods, LCAs, and Sole Source awards. The number of bids and the number of bids from Inuit firms for competitive contracting provided for the main Contract Type categories is illustrated in a graph.

SECTION 7, Inuit Labour, provides Inuit labour information for Small and Large value Minor Construction and Maintenance Services, and Major Construction contracts.

SECTION 8, Contracts Awarded due to 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 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.

SECTION 9, Comparison to Previous Year: This section looks at the number and dollar value of contracts to Inuit, Nunavut and Other, awarded by CGS under the Revised NNI Policy which came into effect on April 1, 2004.



Section 1 – All Contracts

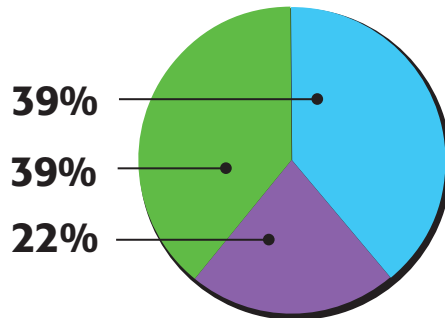
Section 1, All Contracts includes all contracts awarded: Goods Contracts, LCAs, and all other Contract Types.

All Contracts - by Status Category

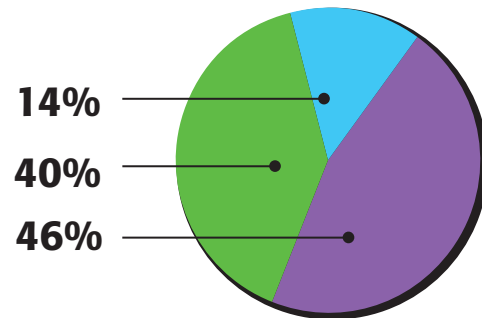
The pie charts below illustrate the number of contracts reported, and the total value of contracts by Inuit, Nunavut and Other.

- There were a total of 9,917 contracts awarded: 3,865 to Inuit (39%), 2,190 to Nunavut (22%) and 3,862 to Other (39%).
- The total value for all contracts was: \$87,122,084.09: \$12,463,487.08 to Inuit (14%), \$39,563,102.52 to Nunavut (46%) and \$35,077,524.49 to Other (40%).
- Inuit, Nunavut and Other status categories are explained in the Report Overview on page 5.

Number of All Contracts to Inuit in Nunavut



Value of All Contracts to Inuit in Nunavut



● Inuit ● Nunavut ● Other



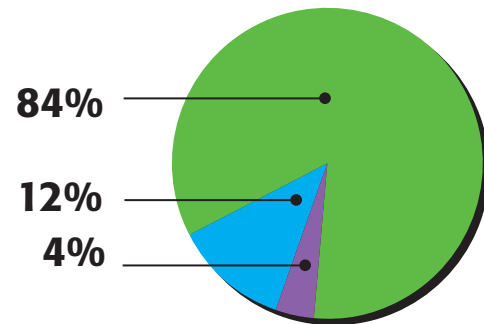
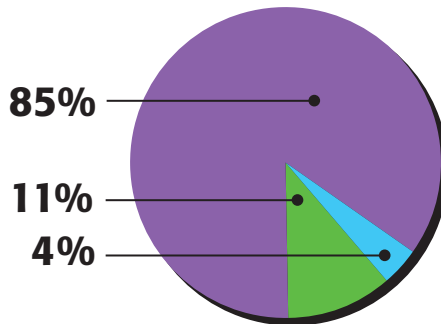
All Contracts - Breakdown for Goods, LCAs, and all other Contract Types

The pie charts below illustrate the number and value of contracts for Goods Contracts, LCAs, and all other Contract Types.

- A total of 9,917 contracts were awarded: 1,099 were Goods Contracts (11%), 8,403 were LCAs (85%), and 417 were for all other Contract Types (4%).
- The total value for contracts awarded was \$87,122,084.09: \$10,402,614.48 for Goods Contracts (12%), \$3,309,419.02 for LCAs (4%), and \$73,410,050.59 for all other Contract Types (84%).
- Section 3 of this report provides more information for LCAs, and Section 5 focuses on Large Value Contracts excluding Goods Contracts and LCAs.

Number of All Contracts showing the percentage for LCA's, Goods Contracts, and other Contract Types

Value of All Contracts showing the percentage for LCA's, Goods Contracts, and other Contract Types



● Goods ● LCAs ● Other Types



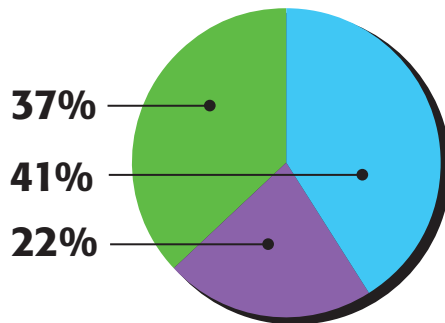
Section 2 – Local Contract Authority (LCA)

Section 2, Local Contract Authority (LCA) contracts are used by the GN to purchase local goods and services not exceeding \$5,000 in value. Because of the small value of these contracts, the GN Regulations do not require a formal competitive bidding procedure for these contracts, although informal requests for pricing are required for contracts over \$1,000.

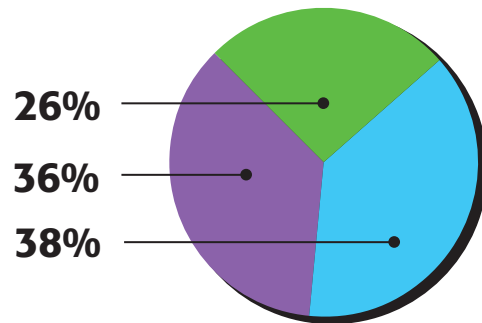
The pie charts below illustrate the total number, and the total value of LCA purchases to Inuit, Nunavut and Other.

- There were 8,401 LCAs: 3,511 to Inuit (41%), 1,810 to Nunavut (22%), and 3,080 to Other (37%).
- The total value of LCAs was \$3,309,419.02; \$1,252,418.05 awarded to Inuit (38%); \$1,193,366.22 to Nunavut (36%); and \$863,634.75 to Other (26%).
- Almost all LCA purchases for the 'Other' status category were for Inuit or Nunavut companies, individuals, or organizations that were not registered with either NTI or the GN.

Number of LCA's to Inuit and Nunavut



Value of LCA's to Inuit and Nunavut



● Inuit ● Nunavut ● Other



Section 3 – Small Contracts

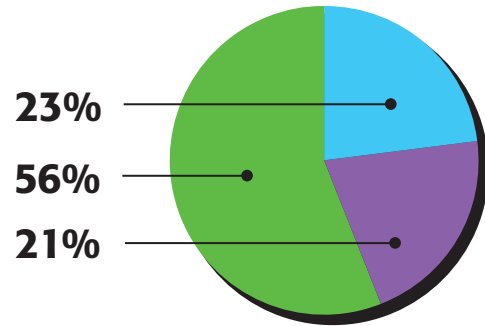
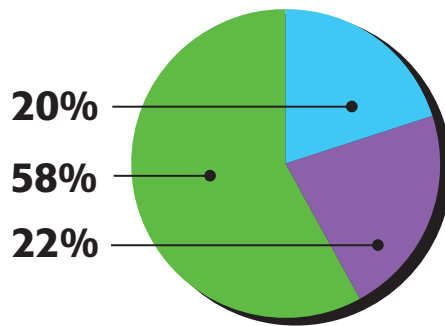
Section 3, Small Contracts includes all Goods Contracts under \$5,000, but excludes LCAs, and all other Contracts Types under \$25,000.

The pie charts below illustrate the number of Small Contracts reported, and the total value of Small Contracts to Inuit, Nunavut and Other.

- There were 918 Small Contracts reported: 183 to Inuit (20%), 201 to Nunavut (22%), and 534 to Other (58%).
- The Small Contracts totaled \$3,504,388.71 in value: \$795,889.98 to Inuit (23%); \$745,391.22 to Nunavut (21%), and \$1,963,107.51 to Other (56%).

Small Contracts to Inuit and Nunavut

Value of Small Contracts to Inuit and Nunavut



● Inuit ● Nunavut ● Other

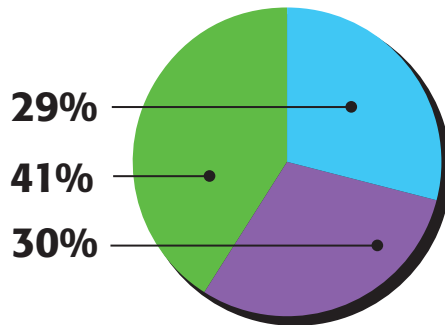


Section 4 – Large Contracts - Including Goods

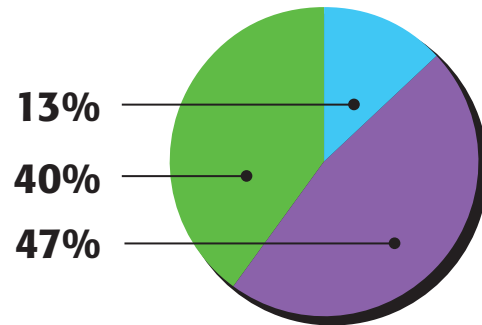
Section 4, Large Contracts includes of all Goods Contracts of \$5,000 and greater, and all other Contracts of \$25,000 and greater.

- There were 598 Large Contracts: 171 to Inuit (29%), 179 to Nunavut (30%), and 248 to Other (41%).
- The Large Contracts amounted to \$80,308,276.36: \$10,415,179.05 to Inuit (13%), \$37,624,315.08 to Nunavut (47%), and \$32,268,782.23 to Other (40%).
- Because of the very high value of some large Major Construction contracts, one contract award can make a significant difference in the percentage of dollars to Inuit firms compared to Nunavut firms.

Number of Large Contracts to Inuit and Nunavut



Value of Large Contracts to Inuit and Nunavut



● Inuit ● Nunavut ● Other



Section 5 – Analysis of Large Contracts – Excluding Goods

Section 5 analyzes Large Contracts (\$25,000 and greater) and does not include Goods Contracts, or LCAs. There were 190 Large Contracts excluding goods, and the total value for these contracts was \$71,160,511.48.

- 26% of contracts and 11% of dollars to Inuit, and 22% of contracts and 49% of dollars to Nunavut.

5.1 – Contract Types (Large Contracts - Excluding Goods)

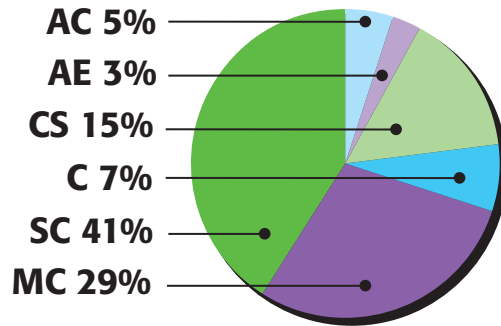
This sub-section analyzes contracts by Contract Type. There are 8 Contract Types. These were the number and dollar values for Large Contracts (\$25,000 and over), excluding Goods, for each type. There were no Large Value Leases for Real Property or Other (non-standard) contracts reported in fiscal year 2003/2004. The following information is illustrated on pie charts below.

	Contract Type	Number of Contracts	Value of Contracts
AC	Air Charter:	9	\$807,453.47
A/E	Architectural/Engineering:	6	\$657,473.60
CS	Consulting Services:	29	\$2,076,032.52
C	Major Construction (\$100,000 +):	13	\$42,492,912.00
MC	Minor Construction or Maintenance:	56	\$8,834,114.50
SC	Service Contracts:	77	\$16,292,525.39
	Total	190	\$71,160,511.48

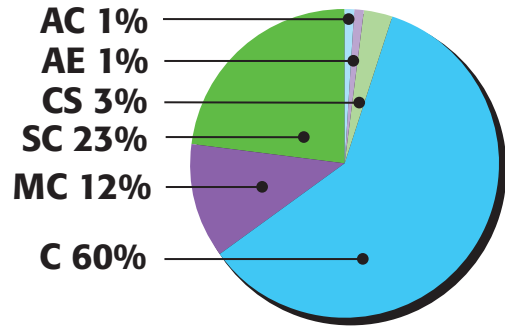


- 92% of Large Contracts were for: CS, C, MC and SC Contract Types.
- 83% of Large Contract dollars were expended for C and SC Contract Types.

**Percentage of Contracts
- By Type
Large Contracts
(excluding Goods)**



**Percentage of Value
- By Type
Large Contracts
(excluding Goods)**



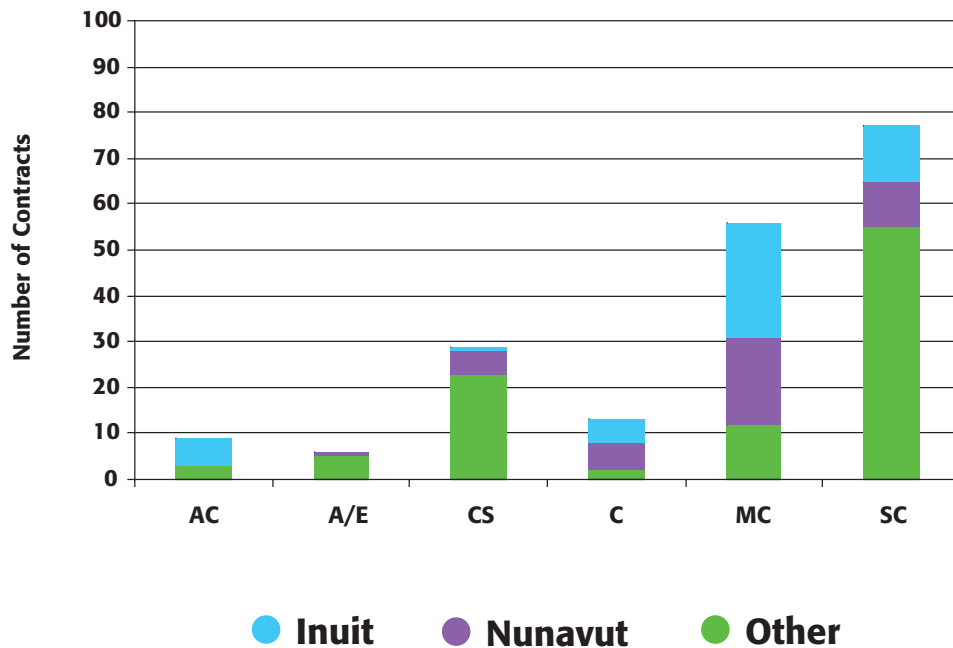


Analysis by Number of Contracts

The graph and percentages below indicate the number of Large Contracts (\$25,000 and over), excluding goods, in the 8 Contract Type categories awarded to Inuit and Nunavut. The following are percentages of the Contract Type, awarded to Inuit and Nunavut, within the categories:

- AC Air Charter: 67% of contracts were to Inuit Firms which were also Nunavut firms.
- A/E Architectural/Engineering: no contracts to Inuit, 17% were to Nunavut.
- CS Consulting Services: 3% of contracts were to Inuit, 17% were to Nunavut.
- C Major Construction (\$100,000 +): 38% were to Inuit, 46% to Nunavut.
- MC Minor Construction or Maintenance: 45% were to Inuit, 34% were to Nunavut.
- SC Service Contracts: 16% to Inuit, 13% to Nunavut.

Large Contracts to Inuit and Nunavut by Contract Type



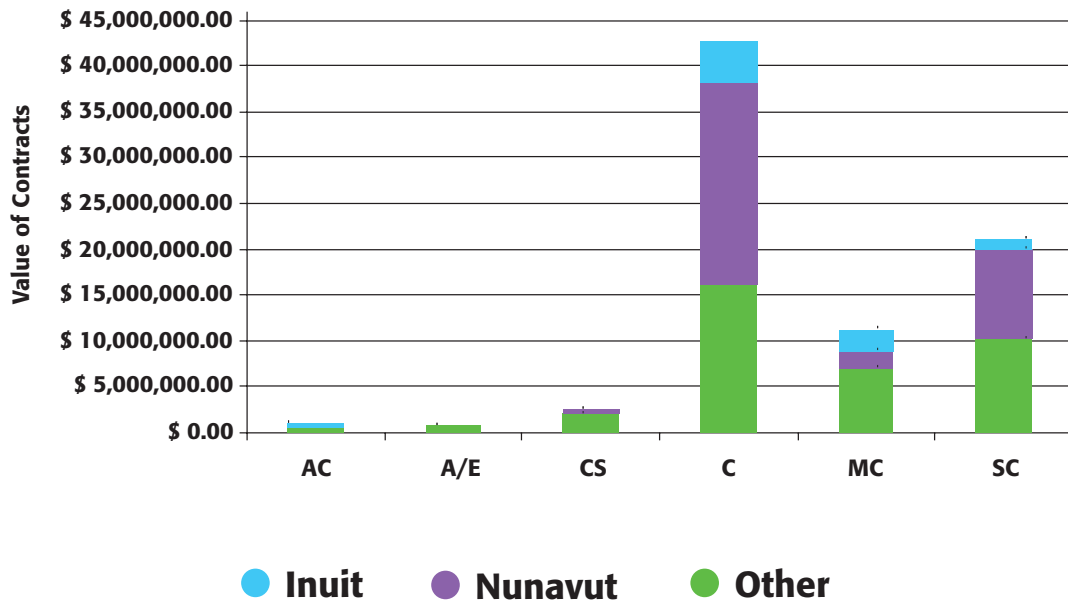


Analysis by Value of Contracts

The graph and percentages below indicate the dollar value of Large Contracts (\$25,000 and over), excluding goods, in the 8 Contract Type categories to Inuit and Nunavut. The following are percentages of the dollar value of contracts to Inuit and Nunavut within the categories:

- AC Air Charters: 40% went to Inuit Firms which were also Nunavut Businesses.
- A/E Architectural/Engineering: none to Inuit, 15% to Nunavut.
- CS Consulting Services: 2% to Inuit, and 15% to Nunavut.
- C Major Construction (\$100,000 +): 10% to Inuit, and 60% to Nunavut.
- MC Minor Construction or Maintenance: 21% to Inuit, and 17% to Nunavut.
- SC Service Contracts: 5% of the value to Inuit, 46% to Nunavut.

Large Contracts to Inuit and Nunavut by Contract Type





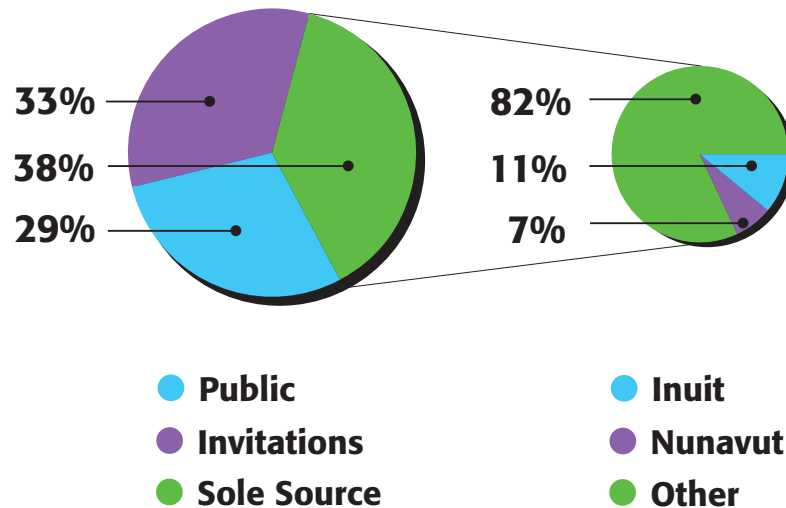
5.2 – Contracting Methods (Large Contracts - Excluding Goods)

This sub-section provides an analysis of Large Contracts (\$25,000 and greater), excluding Goods, by the Contracting Method. Contracts are entered into as a result of a competitive Request for Tenders, Requests for Proposals, or are Sole Source Awards. Requests for Tenders or Proposals can be publicly advertised, or bids/proposals can be invited.

Analysis by Number of Contracts Awarded

- Of a total of 190 Large Contracts (excluding Goods), 117 Contracts were the result of Public or Invitational requests for tenders or proposals (62%), and 73 were Sole Source Contract awards (38%). This is illustrated on the larger pie chart below.
- Out of the 73 Sole Source awards (38% of Large Contracts), 8 were contracts to Inuit (4% of Large Contracts, 11% of Sole Sources); 5 contracts were sole sourced to Nunavut firms (3% of Large Contracts, 7% of Sole Sources) and 60 of the 73 were sole sourced to Other (32% of Large Contracts, 82% of Sole Sources). This is illustrated on the smaller pie charge below.

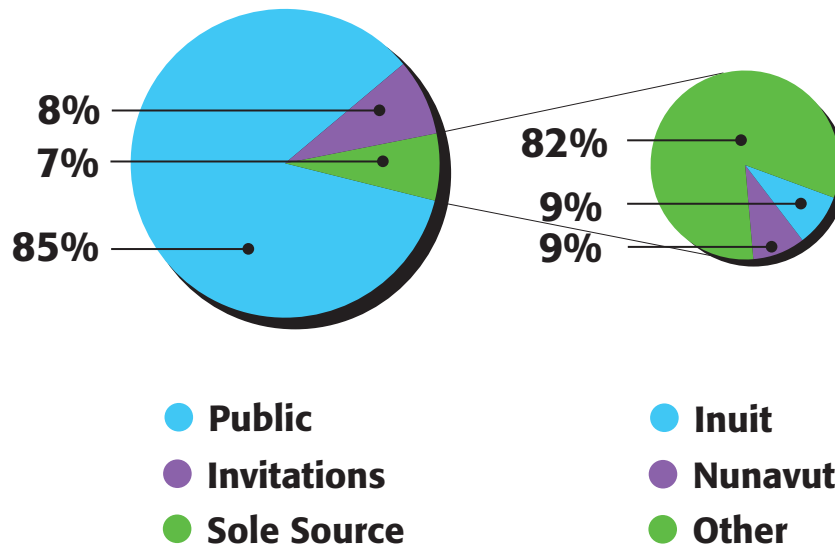
Number of Contracts Awarded by Contracting Method, with Breakdown



Analysis by Value of Contracts Awarded

- Of a total contract value of \$71,160,511.48 for Large Contracts (excluding Goods) \$66,284,411.39 resulted from Public or Invitational requests for tenders or proposals (93%) and \$4,876,100.09 resulted from Sole Source awards (7%). This is illustrated on the larger pie chart below.
- Out of the \$4,876,100.09 value for Sole Source awards, \$427,405.58 went to Inuit (less than 1% of Large Contracts, 9% of Sole Sources) and \$458,523.22 went to Nunavut firms (less than 1% of all Large Contracts, 9% of Sole Sources), and \$3,990,171.29 went to Other (roughly 6% of Large Contracts, 82% of the Sole Sources). This is illustrated on the smaller pie chart below.

Value of Contracts by Contracting Method, with Sole Source





5.2.1 – Further Analysis of Sole Source Contracts - by Contract Type

Of a total contract value of \$71,160,511.84 for Large Contracts (excluding Goods), \$4,876,100.09 resulted from Sole Source awards (7%). This is illustrated on the larger pie chart on the previous page.

- Out of the total \$4,876,100.09 value that was Sole Source awards (73 out of 190 contracts), \$3,990,171.29 (60 contracts) went to Other businesses (those not registered as Inuit or Nunavut firms) (82%).
- 81% of the dollar value to Other (non-registered) for Large Sole Source Contracts were for two Contract Types: Consulting Services, and Service Contracts. These are the dollar values and the percent of the value of Sole Source Contracts to Other businesses for these two Contract Types:
 - Consulting Services: \$525,904.00 (13% of value, 12 contracts); and
 - Service Contracts: \$2,722,432.29 (68% of value, 42 contracts).
- All other types of contracts: (reference page 13) make up the remaining value of Sole Sources to Other: \$741,835.00 (19% of value, 6 contracts).

Criteria for Sole Sourcing a Contract

Section 10 of the Government of Nunavut Contract Regulations, under the Financial Administration Act, allow Sole-Sourcing of contracts "where a contract authority believes, on reasonable grounds, that

- (a) the goods, services or construction are urgently required and delay would be injurious to the public interest; or
- (b) only one party is available and capable of performing the contract; or
- (c) the contract is an architectural or engineering services contract that will not exceed \$25,000 or any other type of contract that will not exceed \$1,000 in value."

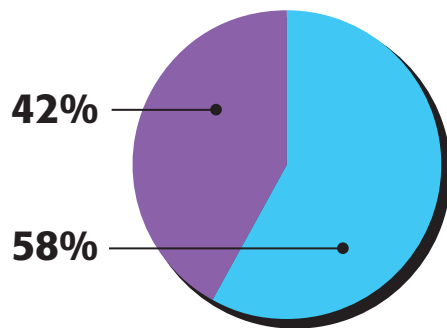


5.3 – Awards to Local Businesses (Large Contracts - Excluding Goods)

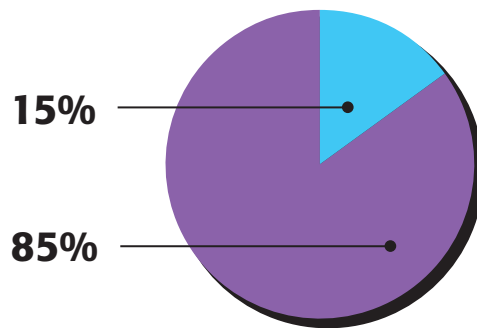
This section analyzes contracts that were awarded to Local Inuit or Nunavut firms. Local Contracts are contracts that were awarded to an Inuit or Nunavut firm that is based in the same community where the work is required. To qualify for the Local bid adjustment under the NNI Policy, businesses must be on either the NTI Inuit Firms Listing or the GN Nunavut Business Registry, and be located in the same community where the work is required.

- Of 190 Large Contracts, there were 60 contracts to Local Businesses (32%). Of the 60, 35 were to Local Inuit firms (58%), and 25 were to Local Nunavut firms (42%).
- Of \$71,160,511.48 for Large Contracts (excluding goods), \$31,428,322.13 was awarded to Local businesses (44%). Of the \$31,428,322.13, \$4,591,758.55 went to Local Inuit Firms (15%) and \$26,836,563.58 went to Local Nunavut Firms (85%).
- Hamlets, Housing Authorities and Inuit organizations are not Local under the NNI Policy because they are not businesses registered with NTI as Inuit firms, or with the GN as Nunavut Businesses.

Number of Contracts to Local Businesses - by Status



Value of Large Contracts to Local Businesses - by Status



● Inuit ● Nunavut



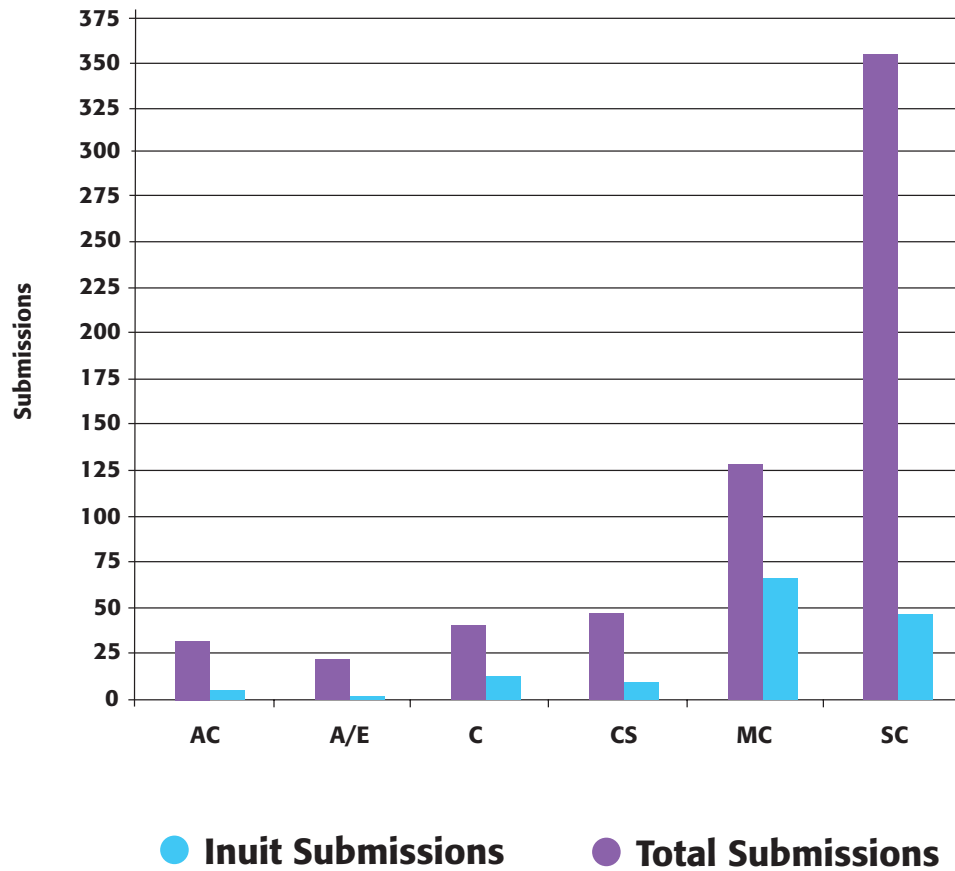
Section 6 – Analysis of Submissions Received

This section is an analysis of the number of submissions (bids or proposals) received for Small and Large Contracts - excluding Goods and LCAs. Sole Source contracts are excluded from this analysis. The information and chart below is a snapshot of a few Contract Types to give an indication of the number of submissions from Inuit firms, compared to the total number of submissions received in response to Requests for Tenders or Proposals.

- **AC** Air Charters: For 17 contracts, there were 40 submissions; 5 were from Inuit Firms (13%). Inuit Firms won 5 of these contracts (29%) .
- **A/E** Architectural/Engineering Services: For 7 contracts, there were 22 submissions; one submission was from an Inuit Firm, but that firm did not win a contract.
- **C** Major Construction (contracts of \$100,000 value or greater): For 13 contracts, there were 45 bids; 16 were from Inuit Firms (36%). Inuit firms won 5 of these contracts (38%).
- **CS** Consulting Services: For 17 contracts, there were 55 proposal submissions; 11 were from Inuit Firms (20%). An Inuit Firm won 1 of the contracts they submitted for (6%) .
- **MC** Minor Construction (less than \$100,000) and Maintenance Services: For 72 contracts, there were a total of 137 bids received; 71 were from Inuit Firms (52% of the bids). Inuit firms won 36 of these contracts (50%).
- **SC** Service Contracts: For 51 contracts, there were 367 submissions received: 50 from Inuit firms (14% of submissions). Inuit firms won 12 of these contracts (24%).



Submissions from Inuit Firms Compared to Total Submissions



Note: On average, for competitive requests for submissions, 2 were received for each AC, 3 were received for each A/E contract, 3 for each C contract, 2 for each MC contract, 3 for each CS contract and 7 for each SC. For a competitive bidding process, 3 bids are generally considered the minimum to ensure good value and fair competition.



Section 7 – Inuit Labour

7.1 - Minor Construction and Maintenance Services Contracts

The information in this sub-section is based on all Minor Construction (less than \$100,000) and Maintenance Services contracts where information has been reported to CGS Contracts Section. (This report does not include Housing Corporation.)

This table gives the average percentages of Inuit Labor required across Nunavut and by Region for the 2003/2004 fiscal year.

Region	Average % Required	Average % Bid	Average % Achieved
Across Nunavut	33%	58%	56%
Baffin	17%	43%	44%
Kitikmeot	15%	34%	37%
Kivalliq	46%	72%	73%

Note: The percentages for average Inuit Labour Achieved are based on the portion of contracts where this information was available, which is a smaller number of contracts than were used to calculate the average Inuit Labour Required, and the average Inuit Labour Bid.

The Average % of Inuit Labour Achieved for contracts awarded in the 2004/2005 fiscal year will be updated when more complete information is available, and included in the 2005/2006 Annual GN Contract Data Report.

Update: For Minor Construction and Maintenance Services contracts awarded in the 2003/2004 fiscal year the average percentage for Inuit Labour Achieved:

- across Nunavut: 56%;
- for the Baffin Region: 47%;
- for the Kitikmeot Region: 23; and
- for the Kivalliq Region: 77%.



7.2 - Analysis of Inuit Labour for Major Construction Contracts

The information in this sub-section is based on all Major Construction (\$100,000 and over) contracts. (This report does not include Housing Corporation.)

This table gives the average percentages of Inuit Labor required across Nunavut and by Region for the 2004/2005 fiscal year.

Region	Average % Required	Average % Bid	Average % Achieved
Across Nunavut	24%	26%	22%
Baffin	24%	25%	20%
Kitikmeot	20%	27%	Not Available
Kivalliq	30%	30%	32%

Note: The percentages for Inuit Labour Achieved are based on the portion of contracts where this information was available, which is a smaller number of contracts than were used to calculate the average Inuit Labour Required and the average Inuit Labour Bid. Because many Major Works construction contracts are multi-year and are not yet complete, the Total and Inuit Labour amounts achieved are not yet known. This is true for each Region.

The Average % of Inuit Labour Achieved for contracts awarded in the 2004/2005 fiscal year will be updated when contracts are completed, and included in the 2005/2006 Annual GN Contract Data Report.

Update: For Major Construction contracts awarded in the 2003/2004 fiscal year the average percentage for Inuit Labour Achieved:

- across Nunavut: 26%;
- for the Baffin Region: 29%;
- for the Kitikmeot Region: 15%, and
- for the Kivalliq Region: 27%.



7.3 - Analysis of Inuit Labour Bonuses and Penalties

This information is based on both Minor Construction and Maintenance Services and Major Works Construction Contracts. Inuit labour bonuses are paid when the percentage of dollars for Inuit Labour achieved exceeds the minimum percentage of Inuit labour required. Penalties are assessed if the percentage of Inuit labour achieved is less than the minimum percentage of Inuit Labour required. Bonuses paid and penalties assessed are based on actual Inuit labour achieved, calculated at the completion of the project.

Note: NNI Bonuses and Penalties are calculated differently as follows:

Bonus:

1. The Inuit Labour % Required is subtracted from the Inuit Labour % Achieved to find the % by which the Contractor exceeded the minimum % Required (% difference);
2. The % difference is multiplied by the Total Labour dollars expended;

Example: Inuit labour % Achieved is 35%, Inuit labour % Required is 25%, Total Labour is \$100,000:

1. The % difference is 10% (35-25);
2. Total Labour dollars of \$100,000 x 10% = \$10,000.00.

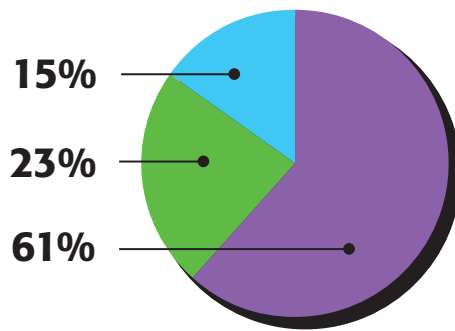
Penalty: To calculate the penalty, use the same formula above, but multiply the result by 2.

Example: Total Labour x Percent Difference x 2, or \$20,000.00.

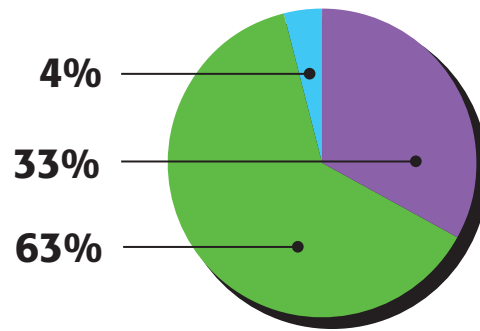


- Based on bid information for contracts awarded in fiscal year 2004/2005, the total anticipated bonus payments would be \$191,278.17. The pie chart below illustrates the values of anticipated bonuses actual bonus payments distributed among the 3 Regions.
- To date, \$121,084.00 has been paid out in bonuses and \$4,413.57 has been assessed in penalties.

Anticipated Bonus Payment Region



Actual Bonus Payments - by Region



● Kitikmeot ● Baffin ● Kivalliq

Update: As an update to information for contracts awarded in fiscal year 2003/2004, \$86,388.14 was paid in bonuses and \$10,814.98 was assessed in penalties. The values for 2003/3004 Bonuses and Penalties are based on a significantly different NNI Bonus/Penalty calculation formula – 1/3 of a % for every percent over or under the minimum requirement.

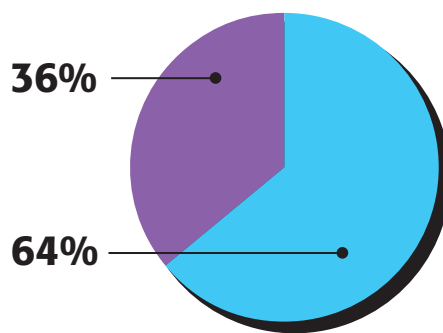


Section 8 – Contracts Awarded Due To NNI Adjustments

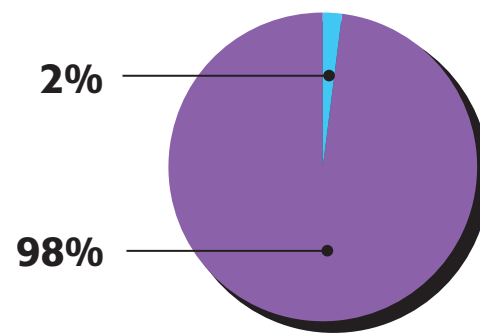
This information is based on all Small and Large Contracts, excluding Goods and LCAs, Sole Source awards are excluded from this analysis. NNI Adjustments are applied to determine the low bidder or the best-value proposal that will be awarded a contract. A contract awarded “due to NNI Adjustments” is a contract that would have been awarded to another company, but the application of NNI adjustments changed which contract had the lowest price tender, or the best-value proposal.

- Out of 177 competitively awarded contracts, 11 were awarded due to NNI adjustments (6%). Of the 11, 7 were to Inuit firms (64%), 4 to Nunavut firms (36%) and none were awarded to Other (non-registered firms).
- Out of \$66,976,536.75 dollars for competitively awarded contracts, \$15,852,970.44 was for contracts awarded due to NNI adjustments (22%). Of the \$15,852,970.44 value, \$263,338.68 went to Inuit firms (2%) and \$15,589,631.76 went to Nunavut firms (98%).
- Most competitively awarded contracts (42% of contracts, and 39% of the value) went to Inuit and Nunavut firms because of competitive pricing or good value proposals, rather than because of NNI adjustments.

Contracts Awarded due to NNI Adjustments



Value of Contracts Awarded due to NNI Adjustments



● Inuit ● Nunavut



- These values may appear to be lower than those in recent years, however, it is worthwhile to note that contracts awarded due to NNI Bid Adjustments in previous fiscal years were based on significantly different Bid Adjustment Values, and therefore, a difference in the affect of the revised bid adjustments on awarding contracts is to be expected.

Note: Non-registered (Other) firms can receive NNI Bid Adjustments when maximizing Inuit and Nunavut Content in their bids by using qualifying Inuit and Nunavut, Local and/or non-Local, Subcontractors, Suppliers and Labor).

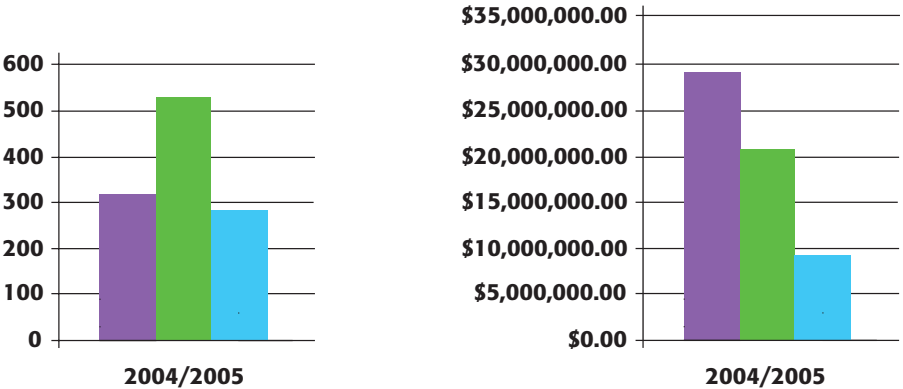
Section 9 – Comparison To Previous Year

This Section analyses contracts awarded by CGS (Community & Government Services) in fiscal year 2004/2005. Prior year comparatives have not been provided as revisions to provisions under the GN's NNI Policy impact the comparability of results between the two years.

The following types of contracts are included in this analysis and the information is presented in the table and graphs below:

- Goods Contracts by CGS Purchasing Section for all Departments (PO),
- Minor Construction and Maintenance Services Contracts (MC),
- Major Construction (C),
- Architectural and Engineering Services (A/E),
- Service Contracts awarded by CGS (SC)

Based on Number of Contracts			Based on Value of Contracts	
Inuit	324	26	\$10,284,855.65	16
Nunavut	356	28	\$30,703,203.02	48
Other	572	46	\$23,165,188.07	36
Total	1,252	100	\$64,153,276.74	100



● Inuit ● Nunavut ● Other

Note: Because of the very large value of some Major Construction contracts, one or two contract awards can have a significant impact on the value of contracts to Inuit and Nunavut.