**UNBUNDLING**

**SUMMARY**

Contract splitting is done in order to **evade limits** of duration or value (e.g., approval limits). This is distinct from “unbundling” in the Indigenous context which is a practice of analyzing rolled-up requirements to assess whether there are aspects you can separate from the main procurement **in order to generate opportunities** for Indigenous businesses. However, we still suggest developing a robust justification for the unbundling in the Procurement File, including all applicable research and Guidance.

Unbundling differs from Contract splitting in two ways.

The [TBS Contracting Policy](https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14494) describes Contract Splitting as “the practice of unnecessarily dividing an aggregate requirement into a number of smaller contracts, thereby avoiding controls on the duration of assignments or contract approval authorities.”

Unbundling is not done to avoid duration limits, but rather done to provide opportunities for smaller firms to compete.

Thus, Contracting Authorities must avoid the common practice of “automatically” bundling a number of smaller contracts into an aggregate which would limit opportunities. While counter-intuitive, Unbundling involves recognition of these kinds of implicit bundling practices.

Secondly, Unbundling is not done in consideration of the value of each contract, but rather the *content* of each contract. Because the objective of Unbundling is to provide opportunities for smaller, more specialized firms to compete, the process requires the CA to partition requirements in response to the capacity, through additional market research, and additional engagement strategies.

The goal of Unbundling is different than Contract Splitting, but CAs should still maintain a robust the Procurement file, complete with analysis, research, and support for bundling/unbundling decisions.