

**Prohibition Creek Access Road Project Procurement Process and Project Update**

Mr. Speaker, today I am providing an update on the Prohibition Creek Access Road Project to correct the public record, refute some misinformation, and also address some of the recent allegations raised in this House about the procurement process for this project.

First, the Prohibition Creek Access Road Project is, and always has been, advanced as a capacity-building project. The goal is to help prepare businesses, workers and residents to make the most of opportunities provided by the eventual construction of the entirety of Mackenzie Valley Highway.

Mr. Speaker, the Government of the Northwest Territories originally received federal funding to advance the design and construction of 13-kilometres of all-season road from Canyon Creek to Prohibition Creek, near Norman Wells, in June 2020. That same month, the GNWT announced this project would be procured through a public tendering process, following the receipt of regulatory approvals and completion of final design. In November 2020, the GNWT obtained approvals to advance the project.

However, prior to initiating the procurement process, an environmental and engineering issue was identified at the Christina Creek crossing approximately half-way between Canyon Creek and Prohibition Creek, which would require additional design and regulatory work. In an effort to keep the project and capacity-building in the region moving forward, a decision was made to split the construction project into two phases.

Phase 1 construction includes building 6.7 kilometres of all-season road between Canyon Creek and Christina Creek, and Phase 2 construction would include the remaining 6.3 kilometres from Christina Creek to Prohibition Creek.

The GNWT initiated a public procurement process for Phase 1 construction in October of 2021. The amount of time that lapsed between securing regulatory approval and initiating

the procurement process was caused by the engineering challenges at Christina Creek and the change in project approach that I just described.

HRN Contracting Ltd. was the only business to submit a bid for Phase 1 construction through that public procurement process. Ultimately, the sole bid exceeded the available funding, and the procurement process was cancelled to re-evaluate the project's budget and financing.

The Prohibition Creek Access Road Project is one of several infrastructure projects that have experienced cost escalations recently. Large and systemic cost increases associated with the COVID-19 response, supply chain issues, inflation, material and labour shortages, and rising fuel prices have had an impact on project costs.

Following the cancellation of the public tender, the Department of Infrastructure engaged with Canada to revise the project delivery plan and has very recently secured additional funding for Phase 1 construction, as well as for the design and engineering work required for the remainder of the 13-kilometre road, including the Christina Creek crossing.

I can also confirm that a negotiated contract request from HRN Contracting Ltd. for Phase 1 construction was also received following the cancellation of the public tendering process. This request is currently being advanced, as per the provisions of the GNWT's Negotiated Contracts Policy.

HRN Contracting Ltd. is a GNWT Business-Incentive-Policy registered business in the Sahtu, owned by a Sahtu beneficiary, and as mentioned, was the sole bidder through the previous public procurement process.

Mr. Speaker, while it would be inappropriate for me to discuss the specifics of a contract on the floor of this House, I can assure you our intent is to advance this project and to see the local and regional benefits maximized within the GNWT Procurement and Negotiated Contract Policies.

All of this to say, this project has not been without its challenges. However, the allegations of nefarious dealings raised in this House are fundamentally untrue.

It is our hope that procurement will be finalized in the near future, and construction on this important capacity building project can begin this fall. We are hopeful that this can be celebrated as the important milestone that it is, and that the years of work to get to this point are not tarnished by these recent allegations.

Quyanainni, Mr. Speaker.