



JUL 27 2016

MR. SHANE THOMPSON
MLA, NAHENDEH

OQ 295-18(2) Contracting Procedures and Policy

This letter is in follow-up to the Oral Question you raised on June 29, 2016 requesting an explanation of how the Department of Transportation saved two million dollars by going out to public tender instead of a negotiated contract on a construction project on Highway 7.

The Department received a request to negotiate this project from Rowe's Construction Ltd. with involvement of Beaver Enterprises Ltd. This request was not approved and the project was publicly tendered. Rowe's Construction Ltd. submitted a bid on the tender with a price of \$5,479,600. North Country Maintenance Inc. bid \$3,461,878 and was awarded the contract at a value that two million lower than the bid submitted by Rowe's Construction Ltd.

Thank you.

Wally Schumann
Minister of Transportation

- c. Clerk of the Legislative Assembly
Legislative Coordinator, Executive