



November 3, 2020

MS. CAITLIN CLEVELAND
 MLA, KAM LAKE

Oral Question 368-19(2): Contracts to Northwest Territories Businesses at the Giant Mine Remediation Project

This letter is in follow up to the oral question that you raised on October 19, 2020 regarding contract award numbers, apprenticeships and contract penalties.

NWT Contracts and Definitions

A contract can span several years, but the entire value awarded over the life of the contract from year to year is reflected in the numbers I shared in the Legislative Assembly on October 19, 2020. Table 1 shows the contracts that were awarded for the Giant Mine Remediation Project (GMRP) through Parsons. In 2018-19, \$26 million dollars, out of a total of \$28.8 million dollars, went to Northern Indigenous and Non-Indigenous Suppliers. In 2019-20, \$40.85 million dollars, out of a total of \$49 million dollars, went to Northern Indigenous and Non-Indigenous Suppliers.

**Table 1: Total Contracts Awarded by Parsons
 (carried over from year to year if multi-year contract)**

	2018-19		2019-20	
	Contract Award Dollar Amount 2018-19	Percentage of Total Contract Award 2018-19	Contract Award Dollar Amount 2019-20	Percentage of Total Contract Award 2019-20
Total Indigenous Supplier (Northern)	\$22,698,164	79%	\$39,781,882	81%
Total Northern Supplier	\$3,340,792	12%	\$1,068,934	2%
Total Southern Supplier	\$2,731,378	9%	\$8,315,705	17%
Total Value of Contracts	\$28,770,334	100%	\$49,166,521	100%

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The definition of ***Northern Supplier***: A company with a head office, or other regional office, in any of the three territories.

The definition of ***Indigenous Supplier***: As defined by the Procurement Strategy for Aboriginal (Indigenous) Business, an enterprise that is: a sole proprietorship, limited company, co-operative, or not-for-profit organization in which Indigenous persons have majority ownership and control (meaning at least 51 percent), and in which, in the case of a business enterprise with six or more full time employees, at least 33 percent of the full-time employees are Indigenous persons; or, a joint venture or consortium in which an Indigenous business or Indigenous businesses as defined above have at least 51 percent ownership and control.

The 2019-20 procurement data hasn't been publicly released yet. The data shown in Table 1 provides the values of contracts awarded over their lifetime. In the 2019-20 GMRP Annual Report submitted to the Giant Mine Oversight Board (GMOB) as required by the Environmental Agreement, a table of the value billed by Parsons and its subcontractors between April 1st and March 31st will be shared. As such, values will differ from Table 1.

Penalties Issued on Contracts

Currently, penalties are returned to the Receiver General of Canada. The penalties range from minimal amounts upwards to thousands of dollars depending on the commitments, achievements and overall contract value. Assessment of penalties is done at the end of the contract term.

In support of the Federal Contaminated Sites Action Plan, Crown Indigenous Relations and Northern Affairs Canada and Public Service and Procurement Canada are currently in the process of implementing newly defined and recognized internal administrative processes to manage contract deductions in a way that brings benefits back to the communities most impacted by federal contaminated sites. Until then, Giant Mine is using Contribution Agreements as a means to redirect those deductions, and other contributions, to the communities most impacted.

As an example, in 2019-20, the Government of Canada provided approximately \$957,000 in funding to positions within the Yellowknives Dene First Nation, North Slave Métis Alliance, City of Yellowknife, and Alternatives North. In addition, approximately \$450,000 was provided to the Yellowknives Dene First Nation Dechita Naowo Environmental Monitoring training program this fiscal year.

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I hope you will find the above information useful. Please feel free to reach out to my office should you have any further questions or require any additional clarification.



Shane Thompson
Minister
Environment and Natural Resources

- c. Clerk of the Legislative Assembly
Deputy Minister, Environment and Natural Resources
Legislative Coordinator, Executive and Indigenous Affairs