



MS. JULIE GREEN
MLA, YELLOWKNIFE CENTRE

FEB 15 2018

Oral Question 50-18(3): Impact of Collapse of Carillion on Stanton Renewal Project

This letter is a follow-up to the Oral Question raised by you on February 7, 2018, regarding the criteria that will be used to evaluate the proposed replacement for Carillion Canada in the Boreal Health Partnership (BHP) consortium.

Similar to the process involved in assessing the financial stability of BHP and the individual partners in the consortium during the procurement process, the Government of the Northwest Territories (GNWT) will assess Fairfax Financial to determine the financial capacity of the company as the proposed new partner in BHP. The financial evaluation team will analyze information drawn from the company's audited financial statements over the past three years in order to reach conclusions with respect to financial capacity, including:

- revenues relative to the services contract size;
- cash reserves or funding sources available to meet the estimated equity contribution;
- degree of leverage/debt;
- available working capital;
- profitability.

The GNWT will also assess the technical capacity of Fairfax as the proposed new service provider to ensure that the company is capable of meeting the program requirements of the Project Agreement. Of particular interest, will be the intention of Fairfax to retain or employ the existing Carillion management team and Stanton Hospital project team. The GNWT must be satisfied with the proposed new service arrangement.

A handwritten signature in blue ink, appearing to read "Robert C. McLeod".

Robert C. McLeod
Minister of Finance

- c. Clerk of the Legislative Assembly
Legislative Coordinator, Department of Executive and Indigenous Affairs
Mr. David Stewart, Deputy Minister, Finance