

JULIE GREEN, MLA YELLOWKNIFE CENTRE

RETURN TO WRITTEN QUESTION 5-18(3): SOLE SOURCE CONTRACT DETAILS

March 6, 2018

Returns to Written Questions

CLERK OF THE HOUSE (Mr. Mercer): Mr. Speaker, I have a return to written question 5-18(3) asked by the Member for Yellowknife Centre on February 15, 2018, to the Minister of Infrastructure regarding sole-source contract details.

Mr. Speaker, last year, when the GNWT tendered out its bulk fuel requirements for delivery by barge for community and industrial customer resupply, the only bid received came from Imperial Oil Ltd. No other companies bid because they did not have access to Imperial Oil's proprietary infrastructure. Given that Imperial Oil is the only company with the infrastructure required to safely unload rail cars and reload barges in Hay River, the Department of Infrastructure decided to award sole source contracts 2865 and 2922 to Imperial Oil rather than issue a public tender for this work. Imperial Oil was able to provide even better pricing for the 2017 sailing season than it did for the previous year, resulting in over \$600,000 in savings for the GNWT.

Mr. Speaker, with regards to sole-source contract 2949 with the Inuvialuit Development Corporation for "as and when financial advisory services," the decision to sole source this contact was prompted by the urgency of the required services to support Marine Transportation Services' 2017 shipping season. These services included setting up an accounting system, preparing monthly financial statements, and providing financial information for the development of a business plan for Marine Transportation Services. The reason for not sourcing these services in-house from GNWT advisors was that the person that provided services under the contract was a former Northern Transportation Company Ltd. senior manager who had in-depth knowledge of the management support systems designed for this marine operation and experience that was not available in-house.

With respect to sole-source contract 3559, "offshore recruiting services" refers to hiring qualified marine personnel for GNWT Marine Transportation Services, including marine officers and engineers, deckhands, engine room assistants, catering crew, navigational pilots, supervisors, and operational personnel. This contract was awarded to Offshore Recruiting Services Inc., a company with specialized expertise in this area, to ensure such a provider was in place well before the start of the 2017 sailing season to minimize risk, secure marine crews, and guarantee that GNWT Marine Transportation Services was able to operate in 2017. For the 2018 sailing season, these services were procured through a public procurement process and a contract is in the process of being awarded.

Mr. Speaker, prior to the start of the Stanton Territorial Hospital Renewal project, the Department of Infrastructure identified a requirement to procure project management services, instead of providing these services in-house. The department succeeded in awarding a contract for these services to Buffalo Canada Inc. through the public

procurement process. However, as the project transitioned from procurement to construction, the principal of Buffalo Canada Inc. left the project due to personal reasons. At this time, the GNWT decided to terminate the contract with Buffalo Canada Inc. and award sole-source 2811 to the previously subcontracted project manager under the name Fireside Project Management Inc. to continue providing the same project management services and avoid delaying the project. Thank you, Mr. Speaker.