

LEGISLATIVE ASSEMBLY OF THE  
NORTHWEST TERRITORIES  
7<sup>TH</sup> COUNCIL, 46<sup>TH</sup> SESSION

TABLED DOCUMENT NO. 12-46

TABLED ON JANUARY 18, 1972

# Karl Mueller Construction Ltd. TD# 12-46

Yard  
ENTERPRISE, N.W.T.  
Phone 984 - 2231

ROAD CONSTRUCTION - DIRT MOVING  
CUTTING & CLEARING

Tabled on Jan. 18, 1972  
Mailing Address  
P.O. BOX 1035  
HAY RIVER, N.W.T.

November 12, 1971.

Mr. Paul Kaeser  
Member N.W.T. Council,  
Fort Smith, N.W.T.

Dear Paul;

I enclose herewith a letter to the Commissioner of the Northwest Territories on the matter of the Fort Rae re-construction job last summer which I discussed with you some time ago. This is the contract given Estabrook Construction of Grimshaw, Alberta., contents of enclosed letter you will understand thoroughly after perusal.

You will note that copies of this letter have been sent on to the persons noted bottom page 2. In a covering letter to Mr. Chretien, Minister of I.A. & E. Development, I have also mentioned the general situation here in the Territories., the fact that the Territorial Government Dept. of Public Works is actually increasing their participation in road building and maintenance work, to the detriment of private enterprise in the form of resident N.W.T. general road construction contractors.

*LOWER* ~~The difference between my bid on the Fort Rae job given to Estabrook <sup>was</sup> \$7,315.00, being about 25% of his total bid, and it should be remembered that I was to use N.W.T. operators while Estabrook and his operators were from Alberta.~~

I do hope you and Mick Sibbeston manage to have these matters fully discussed with the Territorial Council and bring about changes for the better - the Territorial Government should confine themselves to the administrative end of Government only. This is what they are put in for, and not to engage in a business such as road construction or maintenance.

Will see you on my next trip to Fort Smith,

Encl:

Best regards,

*Karl Mueller*  
Karl Mueller.

November 12, 1971.

The Commissioner  
Government of the  
Northwest Territories,  
Yellowknife, N.W.T.

Dear Sir:

Re: Re-construction Port Bee Highway  
Invitation to Bid - June 23, 1971.

Further to my letter of July 13, 1971 in which a comparison was made of the successful bid (Estabrook Construction, of Grinsbaw, Alberta to that of our Company, to which I have not as yet had any reply or comment from your Department of Public Works, Highways Division, I now feel this whole matter should now be brought to your attention.

To start with your "Invitation to Bid" dated June 23, 1971 and forwarded to me. I would call your attention to the fact that the Department stated the Model of Twin Powered scrapers required must be of 1967 or later Model. To the best of my knowledge there are no such machines in the N.W.T. western Region owned by any Contractor, or even by the N.W.T. Public Works Department. I would also like to add "that on my asking your Mr. Skogstad if Estabrook Construction had been asked to bid in this matter, I was informed they had been asked prior to Invitation to Bid being put out by P.W....

The answer to just why Estabrook Construction of Grinsbaw, Alta were the successful bidders finally (there were only two bids) at a bid price of 17,313.00 above that of Mueller Construction now seems obvious - because the Model 1967 scrapers, or later as asked for were not available in the N.W.Territories - this would automatically put an N.W.T. bid out of competition in this particular case. I would like to know the reason for the N.W.T. stipulating the age of any equipment to be used on any type of road equipment. The fact that Estabrook Construction was further employed on the Resolution Highway in the fall of 1971, (and this without tender or request for bids), and after work having been commenced by them, the failure to obtain any trucks from May River truckers to assist on the job would tend to show that Estabrook Construction only were to be given this Contract.

It should be further noted that while Estabrook would employ only two (2) operators on this job, Mueller Construction were to employ five (5) operators, also the latter would have been recruited from the Northwest Territories, and not Alberta. My operators were all from May River, N.W.T.

The information I obtained on the Stabrook <sup>bid</sup> was given me on my request to both Mr. Bentley and Skogstad when bids were opened at Enterprise, N.W.T. on the 9th July, only 3 days prior to commencement of work date which was stated as "the week of the 12th of July. It must be assumed, therefore, that Stabrook was on the date of opening bids, July 9th, 1971, all set to proceed from Grimshaw, Alberta to Fort Rae, N.W.T. (a distance of approximately 520 miles) to be able to commence work on the Contract the week of July 12th, actually 3 days later.

Do you feel, as Commissioner of the Territories, that the method of "Invitation to Bid", as used by D.P.W., and especially the stipulation on Year of Model equipment to be used would be any encouragement to N.W.T. contractors to enter a bid? Further to this, do you feel that in giving a contract such as this to an Alberta contractor who employs residents of Alberta as his operators, is in any way doing anything for the Unemployment situation as it now exists in the Territories.

I do know that other persons and Societies in the N.W.T. are most interested in matters of this nature, and I also regard the matter of contracts generally and the one I have now referred to you, as being one which you should properly discuss most thoroughly with your Department of Public Works and those who are responsible for highway construction and maintenance in the Highways Division of D.P.W.

The fact that a contractor from Alberta was employed to take on a contract at \$32,000.00 at a distance of well over 500 miles from his establishment, and at a total price of \$7,315.00 more than the only other bidder (\$25,585.00) who is an N.W.T. resident contractor, and about 200 miles distant from the project, would appear to call for a reasonable explanation.

I hope I shall have something from you on this matter.


Copies to;

Hon. Jean Chretien  
Minister I.A. & N.D.

....  
Mr. Hick Sibbeston,  
Mr. Paul Kaeser,  
Members N.W.T. Council.

....  
Chamber of Commerce,  
Hay River, N.W.T.

Yours truly,

  
Karl Mueller Construction, Ltd.