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Northwest
Territories Public Works and Services

TABLED DOCUMENT NO. 31 - 12 (7) TABLED ON FEB 27 1995

August 16, 1994

DEPUTY MINISTER
ASSISTANT DEPUTY MINISTERS
DIRECTOR, FINANCE
DIRECTOR, CONTRACTS
REGIONAL SUPERINTENDENT, FORT SMITH

Approval for Negotiated Contract - Provision of Airtanker
Services for the Forest Fire Management Program

According to Executive Council Record of Decision 94-23-30 dated August 10, 1994, please be advised that the Executive Council directs that:

1. The Department of Public Works and Services undertake the negotiation of a contract with the Dene-Metis in Fort Smith for the provision and operation of airtanker services for the Forest Fire Management Program, according to the Negotiating Mandate attached as Appendix A.
2. The Minister of Public Works and Services report back to Cabinet, at the conclusion of the negotiation with an Information Item.
3. The Ministers of Renewable Resources and Public Works and Services return to the Financial Management Board, if additional funding is required.

It is understood that the Minister of Public Works and Services and Renewable Resources will initiate the applicable action to implement this decision.



Buy North



STATEMENT OF REQUIREMENT

Provision, Operation, and Maintenance of Heavy Land Based Air Tankers, CL-215 Firefighting Aircraft and Bird Dog Aircraft Services in the Northwest Territories

It is proposed that a contract be entered into with Dene/Metis Holdings Ltd. for the provision of the services outlined and under the terms and conditions contained herein.

The scope of the contract may include all current activities of the GNWT related to the provision, operation and maintenance of fixed wing air tankers and bird dog aircraft utilized by the Department of Renewable Resources Forest Fire Management Division.

OVERALL OBJECTIVES

The objective is to establish a 100% Northern and privately owned and operated aircraft maintenance facility in Fort Smith which will support the Forest Fire Management Program's air operations requirements, and generate other related business opportunities.

The Contractor is expected to meet the following requirements and provide comprehensive information to the GNWT with respect to meeting these requirements.

1. 100% Northern ownership of the company. The Contractor may joint venture or partner with other companies as required, subject to GNWT approval, which will not unreasonably be withheld, as long a 100% Northern ownership is maintained.

If it is not possible to maintain 100% Northern ownership, the Contractor will provide a plan which will see full ownership evolve to the Contractor, and if required, other approved Northern companies within 10 years.

Although a phased in approach to 100% Northern ownership may be required, new facilities requied will be constructed in accordance with the GNWT's Guidelines for Negotiated Contracts. (APPENDIX)

2. All sub contractors shall be Northern unless the requirement for non Northern contractors is fully substantiated by the Contractor and approved by the Minister of Public Works and Services.
3. Unless approved by the Minister of Public Works and Services, all employees of the Contractor and sub contractors must be Northern residents. Approval to hire employees from southern Canada will not be unreasonably withheld on provision of verification of inability to hire in the NWT.
4. The Contractor will be required to participate with the GNWT in development

and maintenance of programs to train and retain Northern residents for employment under the Contract.

5. Four (4) CL-215 aircraft will be provided to the Contractor by the GNWT, in accordance with the regulatory requirements of the National Transportation Agency, the Federal Department of Transportation and Memorandum of Understanding between the GNWT and the Department of Transportation for the CL-215 air tankers.
6. The Contractor may be required to provide, operate and maintain additional air tanker aircraft equivalent to the operational capability currently required by the GNWT. Such capability is outlined elsewhere in this document.
7. The Contractor must take into consideration, the regulatory, operational and financial requirements that have formed an integral part of previous air tanker contracts. Details are provided herein.
8. The Contractor is required to carry out in Fort Smith, the maintenance program related to all aircraft provided to and operated for the GNWT under the contract. Employees involved in the maintenance of the aircraft are to be residents of Fort Smith.
9. The Contractor must demonstrate its commitment to include, wherever possible, other Northern aviation operators in the scope of activities under the contract.
10. The Contractor must allow for a proportionate share of capitalization and operating costs from other work that the Contractor may undertake in facilities provided for the purpose of the contract.
11. The contract period of operation will be for a ten (10) year period and include an option renew for a further ten (10) years.

The following operational, technical, financial and administrative requirements are divided into two (2) parts. Part 1 deals specifically with the provision of additional aircraft and Part 2 deals specifically with the operation and maintenance of the GNWT provided CL-215 water bomber aircraft. Both parts contain elements of the basic maintenance facility requirements.

