



Northwest Territories Minister of Public Works and Services

OFFICE OF THE SPEAKER  
 3 1936 00029 231 6  
 Other \_\_\_\_\_  
 Speaker's Info \_\_\_\_\_  
 Copy to \_\_\_\_\_  
 Referred to \_\_\_\_\_

- Response for Speaker's signature
- Briefing required
- Response on behalf of Speaker

Mr. Raymond Beaver  
 Mr. Earl Jacobson  
 Co-Chairmen  
 Dene Metis Holdings Limited  
 P.O. BOX 89  
 FORT SMITH NT XOE OPO

OCT 26 1994

Other \_\_\_\_\_  
 Initials/Sign \_\_\_\_\_

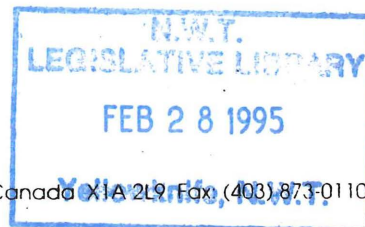
Dear Sirs:

Thank you for your letter responding to the concerns identified in Mr. Doherty's letter of October 6 regarding your response to the Statement of Requirement for the air tanker contracts.

First, I am extremely disappointed that we have not been able to achieve the project's objectives and our mutual interests within the time already allowed. It was our opinion that because you were to be the proponent for this contract, northern involvement would be maximized. Your proposed response makes no effort to include northern investors or contractors. Cabinet agreed to sole source the contract for the "Provision, Operations, and Maintenance of Heavy Land Based Air Tankers, CL215 Fire-Fighting Aircraft and Bird Dog Aircraft Services in the Northwest Territories" to your company. However, a condition of sole source contracts is that northern content is maximized and this has not been achieved.

Second, with respect to the proposal contained in your letter dated October 17, I cannot accept your suggested "two pronged approach" and therefore, I will not re-work the terms of reference as you have requested. It is our opinion that the hanger by itself is not a viable project. The only way that it is viable for this project to proceed at Fort Smith is to consolidate all of the existing air tanker contracts. This is why the "Statement of Requirement" was issued as it was.

In your letter, you stated that you have a "fear of being either left out totally or playing a very minor role". I too am concerned. Given the way that you have approached this situation todate, I am concerned that you will have difficulty in attracting northern participation. This may have been easily achieved at the outset of this process, however, it is not my opinion that the environment has changed. For example, I am faced with demands that participation in this contract be regional and proportionate to the fire fighting effort. In addition, some companies have expressed doubts about the lack of sincerity and fairness they may face while dealing with Dene Metis Holdings Limited. These are new challenges that you will have to address, and I too no doubt, will have to address with my colleagues.



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However, I am prepared to return to Cabinet to seek approval to continue negotiating with Dene Metis Holdings Limited on the condition that you agree to provide a proposal that is responsive to the Statement of Requirement. More specifically, your proposal must allow for full participation by northern investors and contractors if Dene Metis Holdings Limited cannot provide components of the services required.

If you are interested in proceeding, please confirm in writing as soon as possible. At that point, I suggest that your representatives meet with the Deputy Ministers Steering Committee to pursue these issues and agree on a working relationship and process that meets our mutual objectives.

In the interim, it will be necessary that we contract the required services for the next fire season. To that end, we will engage the required equipment based on the knowledge that we are continuing to work toward a contract with your company.

We are committed to continue working with you to achieve the objectives for the project.

Sincerely,

A handwritten signature in black ink, appearing to read 'Don Morin', with a large circular flourish on the left side.

Don Morin  
Minister

c. **The Honourable Jeannie Marie-Jewell, MLA**  
Thebacha