

**REPORT ON NEGOTIATED CONTRACTS AWARDED  
BY THE DEPARTMENT OF TRANSPORTATION  
IN 1992/93 & 1993/94**



**Introduction**

This report provides a list and brief analysis of Department of Transportation contracts which were approved for negotiation by the Executive Council during the last two fiscal years.

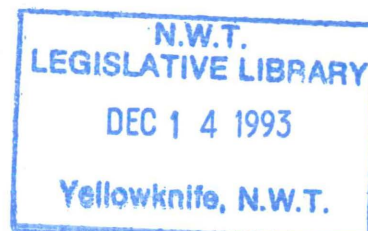
The objective of these awards was the maximization of local employment and business opportunities associated with the activities of the Department. Although the usual procedure for award of government contracts is through a competitive tender or request for proposal (RfP) process, there are situations where meeting the local business development objectives of the government are better achieved through a negotiated contract process.

The GNWT seeks to maximize local involvement and to provide opportunities for the creation and development of companies or organizations involved with various public works.

The following five principles are applied to the development and delivery of negotiated contracts for transportation infrastructure construction and maintenance:

1. Local and northern residents should receive every opportunity to benefit from public dollars spent in the North;
2. Business creation and development should provide an investment opportunity for local and northern residents;
3. Opportunities should be provided to create employment, training and management experience for local and northern residents;

10 December 1993



Page 1 of 2

4. Construction, operation and maintenance of transportation infrastructure should be provided at a reasonable price; and
5. Negotiated contract opportunities should contribute to the goal of creating and maintaining self-sustaining business enterprises, capable of competing on the open market.

### **Assessment**

A total of 17 negotiated contracts were awarded between 1 April 1992 and 30 November 1993, as indicated on the attached Schedules for 1992/93 and 1993.

The schedule indicates the organizations awarded the negotiated contract, as well as the nature of the work undertaken, the estimated tender price, the negotiated contract cost, and the estimated premium, if any, paid by the Department in respect to the contract.

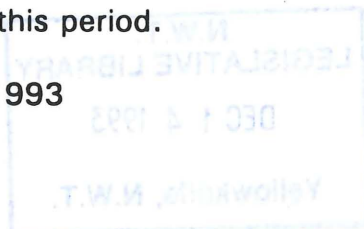
Only one of the contracts was not successfully completed, due in part to a lack of adequate management by the contractor. In all other cases the work covered by the contract was satisfactorily completed.

The objectives of the negotiated contract award have been achieved in all cases. All negotiated contracts were awarded to northern contractors, and a higher percentage of local involvement has been achieved, than would have been the case if the work was opened to public tender process.

The number and value of negotiated contracts represents only a small proportion of the total number and value of all contracts let during this reporting period. Between 1 April 1992 and 30 November 1993, 905 contracts with a total value of in excess of \$84 million were let by the Department. The negotiated contracts thus represent approximately 2% in number, and 7.5% in value, of all contracts issued by the Department in this period.

10 December 1993

Page 2 of 2



**NETOTIATED CONTRACTS**

**APRIL 1, 1992 TO MARCH 31, 1993**

<b>CONTRACT NUMBER</b>	<b>CONTRACTOR</b>	<b>DESCRIPTION</b>	<b>TENDER ESTIMATE</b>	<b>NEGOTIATED CONT. VALUE</b>	<b>ESTIMATED PREMIUM</b>
CT929779	NISHI KHON/PCL JOINT VENTURE	RAE LAKES LAC LA MARTRE WINTER ROAD	\$277,000	\$338,000	\$61,000
CT923125	LUTSEL K'E DEV. CORP LUTSEL K'E	AIRPORT AND ACCESS ROAD CONSTRUCTION	\$550,000	\$713,045	\$163,045
CT923147	LUTSEL K'E ECONOMIC DEVEL. CORP.	WINTER GRAVEL HAUL	\$760,000	\$938,730	\$178,730
CT923148	923241 NWT LTD.	WILLOWLAKE RIVER BRIDGE ROCK HAUL	\$238,897	\$238,897	\$0
CT929790	CAP MOUNTAIN VENTURES	WINTER RD CONST & MTNCE WRIGLEY TO SALINE RIVER	\$248,413	\$248,413	\$0
SC315025	INUVIALUIT DEVEL CORP	CONSTR & MNTNCE - DELTA ICE ROAD	\$560,000	\$560,000	\$0
SC315088	FORT MCPHERSON INC. BAND	PEEL RIVER LANDING	\$118,596	\$118,596	\$0
SC315008	FORT MCPHERSON INC. BAND	EQUIPMENT LEASE	\$177,168	\$177,168	\$0

**NEGOTIATED CONTRACTS**  
**APRIL 1, TO NOVEMBER 30, 1993**

<b>CONTRACT NUMBER</b>	<b>CONTRACTOR</b>	<b>DESCRIPTION</b>	<b>TENDER ESTIMATE</b>	<b>NEGOTIATED CONT. VALUE</b>	<b>ESTIMATED PREMIUM</b>
CT933187	CAP MOUNTAIN/RTL JOINT VENTURE	EARTHWORKS WILLOWLAKE RIVER BRIDGE	577000	\$727,500	\$150,500
CT933169	CAP MOUNTAIN VENTURES	HWY 1 KM 551.8 TO 625.0 HWY GRAVEL SURFACING	\$805,339	\$805,339	\$0
SC319274	CHII CONSTRUCTION	ENGINEERING SERVICES INUVIK	\$65,000	\$65,000	\$0
SC307698	DIGAA ENTERPRISES	HWY #3 KM 65 TO 76 RECON SINGLE ASPHALTIC TREATMENT	\$375,000	\$375,000	\$0
SC319868	FT. MCPHERSON INC. BAND LTD.	GRADE REPAIRS, KM 53 TO 59	\$96,800	\$96,800	\$0
SC319870	FT. MCPHERSON INC. BAND	GRAVEL RESURF., KM 0 TO 74 DEMPSTER HWY	\$83,500	\$83,500	\$0
SC319846	FT. MCPHERSON INC. BAND LTD.	LABOUR "AS AND WHEN"	\$300,000	\$300,000	\$0
SC319871	FT. MCPHERSON INC. BAND LTD.	GRAVEL RESURFACING, KM 74 TO KM 142	\$75,450	\$75,450	\$0
SC319872	FT. MCPHERSON INC. BAND LTD.	GRAVEL HAUL - VARIOUS DEMPSTER HIGHWAY	\$98,500	\$98,500	\$0
SC319869	FT. MCPHERSON INC. BAND LTD.	GRADE REPAIRS KM 146	\$95,650	\$95,650	\$0
SC319875	CHII CONSTRUCTION	GUARDRAIL REPLACEMENT KM 221	\$66,500	\$66,500	\$0
SC319845	ARCTIC RED RIVER INC. BAND	LABOUR SERVICES ARCTIC RED RIVER	\$100,000	\$100,000	\$0
SC319844	CHII CONSTRUCTION	LABOUR SUPPLY (1993/94 )	\$148,000	\$148,000	\$0