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Sept. 16/21

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Legislative Assembly of Nunavut



Nunavut Maligaliurvia
Assemblée législative du Nunavut

July 12, 2021

The Honourable George Hickes, MLA
Minister of Finance
Office of the Minister
Legislative Assembly Precinct
Iqaluit, NU
X0A 0H0

The Honourable Jeannie Ehaloak, MLA
Minister of Community and Government Services
Office of the Minister
Legislative Assembly Precinct
Iqaluit, NU
X0A 0H0

The Honourable Lorne Kusugak, MLA
Minister of Health
Office of the Minister
Legislative Assembly Precinct
Iqaluit, NU
X0A 0H0

TRANSLATION TO FOLLOW

Dear Ministers:

I am writing to you in my capacity as the Chair of the Legislative Assembly's Standing Committee on Oversight of Government Operations and Public Accounts.

As you will recall, Bill 70, *Supplementary Appropriation (Operations and Maintenance) Act, No. 1, 2021-2022* and Bill 71, *Supplementary Appropriation (Capital) Act, No. 1, 2021-2022*, were approved by the Legislative Assembly during its recent spring 2021 sitting. Bill 70 included \$17.11 million in funding for the Department of Health "to cover the ongoing incremental costs of the Isolation Hub Operations from July 1, 2021, to September 30, 2021," and \$10.1 million in funding for the Department of Executive and Intergovernmental Affairs "to provide additional financial support to Canadian North, Calm Air and Kenn Borek Air from April to June 2021." Bill 71 included \$19.0 million in funding for the Department of Community and Government Services "to address COVID-19 related construction Isolation funding requirements until September 30, 2021."

In his letter of June 1, 2021, the Minister of Finance provided additional detail concerning contracts and expenditures related to the operations of isolation hubs. My colleagues and I appreciated receiving this information.

I wish to take this opportunity to request additional information concerning the issue of COVID-19 related contracts and expenditures. In his letter of June 1, 2021, the Minister of Finance provided a detailed listing of seventeen specific "Contracts Related to Isolation Sites." **I ask that your reply to my correspondence clarify**, in detail:

- The method used to award each contract (e.g. Request for Proposals, Request for Tenders, Sole Source, etc.), within the meaning of the *Government Contract Regulations* made under the *Financial Administration Act*;
- The methodology by which contractor performance is being measured and evaluated in respect to each contract;
- The start date and duration of each contract; and
- What change orders have been made to date in respect to each contract.

With respect to the government's contract with the Qikiqtaaluk Corporation for "Hub Management," I ask that your reply to my correspondence include a summary of the major provisions of this contract and a description of what specific services are being provided by the contractor.

As you will recall, *Request for Proposals 2021-35: Virtual COVID-19 Program Services*, was issued on April 30, 2021. The RFP closed on May 21, 2021. **I ask that your reply to my correspondence clarify** the status of the contract award.

As you will be aware, information published by the Public Health Agency of Canada and other authorities provide guidance concerning the importance of adequate indoor ventilation to reduce the spread of COVID-19 and the importance of regular cleaning and maintenance of Heating, Ventilation and Air Conditioning (HVAC) systems in schools and other buildings. I am attaching some recent examples of this information for your review. As you will recall, *Request for Standing Offer Arrangements 2020-02: Duct Cleaning and Maintenance*, was issued on January 14, 2020. The RFP closed on February 4, 2020. Information published by the Department of Community and Government Services indicates that an award was made on May 27, 2020. **I ask that your reply to my correspondence clarify** the extent to which work being undertaken under the provisions of RFP 2020-02 includes schools and other Government of Nunavut facilities outside of Iqaluit. **I also ask that your reply to my correspondence describe**, in detail, what specific actions are being undertaken to achieve COVID-19 related upgrades to ventilation and HVAC systems in public infrastructure across the territory.

In a separate letter of June 1, 2021, the Minister of Finance also provided a detailed update on the status of direct funding provided to airlines by the Government of Nunavut. As you will recall, my correspondence of June 9, 2020, asked that a detailed update be provided on the current membership and activities to date of the independent

advisory board established pursuant to subsection 6(a) of the Schedule to Order in Council 2019-0805 in relation to the merger of Bradley Air Services Limited (First Air) and Canadian North Inc. In his letter to me of July 8, 2020, the Minister of Economic Development and Transportation indicated that:

“... information on the membership and activities of the independent advisory board is not publicly available, nor has any of this information been provided to me.”

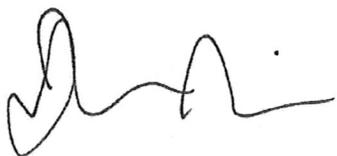
As you will be aware, information that is publicly available from Canadian North indicates that the advisory board's membership currently consists of seven named individuals representing the Government of Nunavut, the Nunavut Association of Municipalities, Nunavut Tunngavik Incorporated, the Government of the Northwest Territories, the federal Minister of Transport, the Makivik Corporation and the Inuvialuit Regional Corporation.

Given that the Government of Nunavut is now represented on the advisory board, **I ask that your reply to my correspondence provide** a detailed update on its activities to date, including its role in providing oversight with respect to the direct funding that has been provided to the merged airline by both the territorial and federal governments.

I also ask that your reply to my correspondence provide a detailed update on the status of the Government of Nunavut's role in respect to the Government of Canada's new Regional Air Transportation Initiative, which was announced in its *2020 Fall Economic Statement*.

Matna, and I look forward to your reply.

Yours sincerely,



John Main, MLA
Chair

c.c. Minister of Executive and Intergovernmental Affairs
Minister of Economic Development and Transportation
Minister of Education
Members of the Standing Committee

Attachment



July 8, 2021

The Honourable Jeannie Ehaloak, MLA
Minister of Community and Government Services
Office of the Minister
Legislative Assembly Precinct
Iqaluit, NU
X0A 0H0

TRANSLATION TO FOLLOW

Dear Minister Ehaloak:

I am writing to you in my capacity as the Chair of the Legislative Assembly's Standing Committee on Oversight of Government Operations and Public Accounts.

As you will recall, Bill 71, *Supplementary Appropriation (Capital) Act, No. 1, 2021-2022*, was approved by the Legislative Assembly during its recent spring 2021 sitting. The bill included \$201,000 in capital carryover funding for your department's EAUFON Marine Survey Project and \$4,493,000 in capital carryover funding for your department's ICIP Undersea Fibre Optic Cable Project.

Information produced by your department in respect to these capital carryover requests indicated that:

"Planning exercises are ongoing with consultant contracts bridging fiscal years. Carryover required to ensure that funding is provided into fiscal year 2021-2022 to allow for completion of consulting contracts and provisions for new contracts while finishing up the design phase of the project. The Government of Nunavut fibre team is awaiting key decisions from federal funding agencies regarding the Kativik Regional Government's proposed fibre line. Development of the Kativik Regional Government fibre line may lead to a closer connectivity point in Salluit, which could lead to alternative, more cost-efficient routing paths for the Government of Nunavut fibre project. A delay is necessary to determine the outcome of the Kativik Regional Government's funding request before setting final routing for the Government of Nunavut's fibre project."

As you will recall, you provided a detailed update to Members on the government's fibre project during the winter 2021 sitting. At that time, information provided to Members indicated that your department:

"... is in the process of finding as Program Director for Commercialization. This is taking longer than anticipated, as we have challenges to find resources with the appropriate skillset. A Request for Proposals to secure a vendor for commercialization is currently under review. We are in discussions with SaskTel to look at various options and approaches going forward."

As you are aware, your department has issued a number of Requests for Proposals (RFPs) in recent years concerning this work:

- RFP 2019-72: Project Director Services, Undersea Fibre Optic Cable Installation-Katittuq-Nunavut (\$1,052,100.00 contract awarded on November 3, 2020);
- RFP 2020-48: Marine Fibre Commercialization/Operationalization Initiative (RFP cancelled); and
- RFP 2021-48: Iqaluit-Kimmiut Terrestrial Route Development Services (RFP closed June 29, 2021)

I ask that your reply to my correspondence provide a detailed update on the status of its Requests for Proposals and "consultant contracts" in respect to the EAUFON Marine Survey Project and the ICIP Undersea Fibre Optic Cable Project.

As you will recall, testimony provided to the Legislative Assembly at its sitting of June 2, 2021, indicated that your department has:

"... received requests from a variety of commercial entities, as well as other agencies and governments, with a great amount of interest in the surveys. There is a lot of interconnectivity between the projects just by nature of it being a global web of fibre. In cases where the non-disclosure agreements permit that information is shared with those partners as appropriate ... we do receive those requests and, where permitted, the survey results are made available. So the process for sharing that information is dependent on who is paying for the survey to complete the research. As we know, it is quite expensive and quite in depth, so depending on who is paying for it, that is who owns the information and that is going to help determine how and when we can share the information and with whom. From a process perspective, as I had mentioned, we do receive requests and those are all vetted appropriately. If there is interest in a more detailed example or explanation on what the process could actually look like for interested parties, I'm sure that we could map that out and share that with those interested parties."

I ask that your reply to my correspondence provide a detailed description of requests received to date and a summary of the non-disclosure agreements that are currently in place.

As I noted earlier in this correspondence, you provided a detailed update to Members on the government's fibre project during the winter 2021 sitting. At that time, information provided to Members indicated that your department:

"Continue[s] to explore the optimum connectivity solution with focus on five potential points of connectivity."

Information published last month in your department's *Request for Proposals 2021-48: Iqaluit-Kimmirut Terrestrial Route Development Services* indicates that:

"In 2019, the Government of Nunavut, in collaboration with the Government of Canada (Infrastructure Canada) entered into a funding agreement which saw a total investment of \$209.0 million for the construction of an undersea Fibre Optic Cable to bring high speed broadband services to Nunavut. The currently funded project (Phase 1) focused on a connectivity solution from Nuuk, Greenland into both Iqaluit and Kimmirut. Over time, and through further analysis the project has evolved to include exploring potential connectivity solutions from several locations. The Government of Nunavut, working with both its internal/external partners and stakeholders continues to review and analyze the optimum connectivity solution for Nunavut and **anticipates having reached a conclusion by summer of 2021.**"

I ask that your reply to my correspondence provide a detailed update on the status of the route selection process.

As you will recall, the federal Minister of Rural Economic Development announced on August 19, 2019, that the Government of Canada:

"... is investing over \$151.0 million in this project under the Rural and Northern Communities Infrastructure Stream (RNIS) of the *Investing in Canada* Infrastructure Plan. The Government of Nunavut has already committed \$30.0 million towards the project."

As you are aware, although Members of the Legislative Assembly have expressed support for connectivity improvements in Nunavut, a significant number of concerns have been raised regarding the government's fibre project. Given the magnitude of this project, and recognizing the impending dissolution of the current Legislative Assembly, it is important that the Members of the next Legislative Assembly have the opportunity to consider and vote on additional appropriation requests, and **I ask that your reply to my correspondence confirm** that no special warrants concerning this project will be brought forward prior to the dissolution of the current Legislative Assembly.

As you are aware, the 2021 federal budget indicated that:

“Budget 2021 proposes to invest \$40.4 million over three years, starting in 2021-2022, to support feasibility and planning of hydroelectricity and grid interconnection projects in the North. This funding could advance projects, such as the Atlin Hydro Expansion Project in Yukon and the Kivalliq Hydro-Fibre Link Project in Nunavut. Projects will provide clean power to Northern communities and help reduce emissions from mining projects.”

As I noted earlier in this correspondence, you provided a detailed update to Members on the government’s fibre project during the winter 2021 sitting. At that time, information provided to Members indicated that:

“The Government of Canada, through the Innovation, Science and Economic Development Department, is currently accepting submissions until March 15, 2021, for Universal Broadband Funding. The Department of Community and Government Services intends to submit a submission to design and engineer an Undersea Fibre Optic system which can deliver reliable, dependable, and affordable Broadband and Internet services to Nunavut communities of Western and Northern Hudson Bay.”

I ask that your reply to my correspondence include a copy of your department’s submission to the federal government for Universal Broadband Funding.

As you will recall, the Canada Infrastructure Bank announced on February 5, 2020, that it had entered into a Memorandum of Understanding concerning the Kivalliq Hydro-Fibre Link Project. The announcement indicated that:

“The Memorandum of Understanding confirms the Canada Infrastructure Bank will work with the Kivalliq Inuit Association, Sakku Investments Corporation, Anbaric Development Partners and the Ontario Teachers’ Pension Plan on planning and development of the proposed project.”

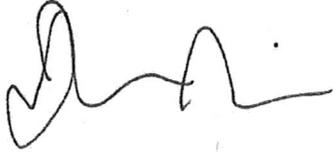
I ask that your reply to my correspondence clarify, in detail, what communications your department has had to date with the Canada Infrastructure Bank concerning the EAUFON Marine Survey Project, the ICIP Undersea Fibre Optic Cable Project and the Kivalliq Hydro-Fibre Link Project.

As you will recall, the Presidents of the Kivalliq Inuit Association and the Nukik Corporation recently wrote a joint letter concerning the status of the Kivalliq Hydro-Fibre Link project and the impact of the government’s ICIP Undersea Fibre Optic Cable Project on this work.

I ask that your reply to my correspondence include a copy of your reply to the joint letter that was received from the Presidents of the Kivalliq Inuit Association and the Nukik Corporation.

Matna, and I look forward to your reply.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'John Main', written in a cursive style.

John Main, MLA
Chair

c.c. Minister of Finance
Members of the Standing Committee

