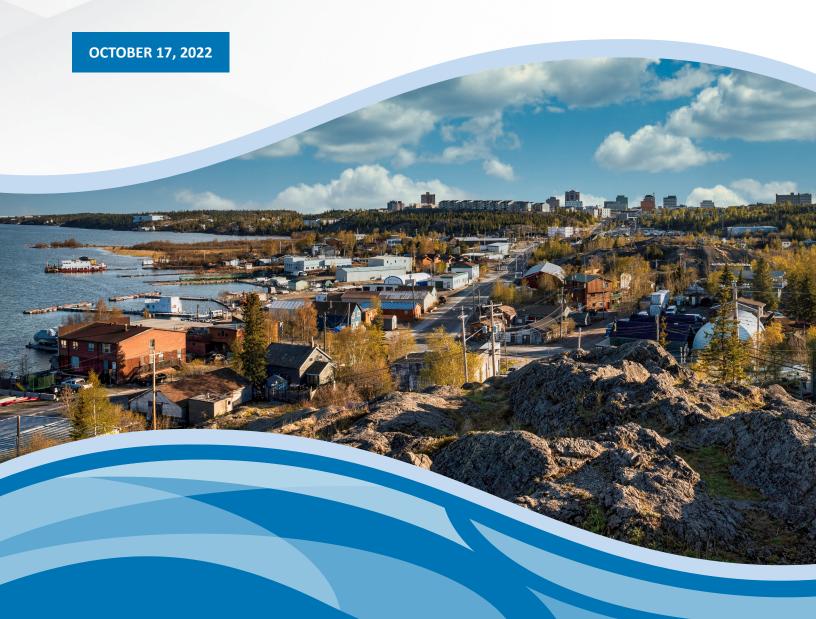


# Socio-Economic Analysis of Parsons' Procurement at the Giant Mine Site



## ANALYSE D'APPROVISIONNEMENT DU PROJET D'ASSAINISSEMENT DE LA MINE GIANT

# Rapport de recherche

# INTRODUCTION

L'équipe du Projet d'assainissement de la mine Giant (PAMG) indique que de 2005 à 2021, approximativement 608 millions de dollars ont été accordés en contrats dans le cadre du PAMG, dont 300 millions de dollars (ou 49 %) à des entrepreneurs autochtones. Le gouvernement des Territoires du Nord-Ouest (GTNO) et le gouvernement fédéral sont tous les deux des promoteurs du PAMG. Le site de la mine, qui n'est pas exploité, mais en cours d'assainissement, appartient au gouvernement fédéral. C'est pourquoi le PAMG repose sur les règles et les exigences d'approvisionnement et de déclaration du gouvernement fédéral.

En 2021, la Ville de Yellowknife (Yellowknife) et la Première Nation des Dénés Yellowknives (YKDFN) ont dit craindre un exode des retombées du PAMG hors des Territoires du Nord-Ouest (TNO). Ce sont notamment les dirigeants politiques du YKDFN qui ont demandé d'obtenir ces données. Les promoteurs du PAMG communiquaient principalement avec la société Det'on Cho (l'organisme de développement économique du YKDFN). Le ministère de l'Industrie, du Tourisme et de l'Investissement du GTNO produit un rapport annuel sur les retombées socioéconomiques des mines aux TNO, et on a demandé d'appliquer cette approche au PAMG (le rapport de 2021 comprenant Ekati, Diavik et Gahcho Kué). Pour enquêter sur les préoccupations soulevées et effectuer une analyse d'approvisionnement, le MITI a travaillé de concert avec le ministère de l'Environnement et des Ressources naturelles (MERN), l'équipe du PAMG du gouvernement fédéral, ainsi qu'avec Parsons, le gestionnaire des travaux responsable de la supervision des activités sur le site. Bien que dans son analyse, le MITI utilise les mêmes données que celles du PAMG, la structure hiérarchique et les définitions utilisées y sont différentes. L'analyse du GTNO porte particulièrement sur les retombées qui profiteront aux TNO, tandis que le rapport du fédéral porte sur leurs propres exigences hiérarchiques, dans

lesquelles le mot « Nord » renvoie aux trois territoires et le mot « Autochtones » comprend les Autochtones vivant dans le sud du pays. À ce titre, on ne compare pas ici des pommes avec des pommes, les deux rapports ne correspondent pas directement.

En ce qui concerne les retombées du PAMG aux TNO, l'analyse menée par le MITI montre que Parsons se compare aux mines de diamant. En moyenne, près de 68 % des coûts contractuels sont versés à des entreprises qui appartiennent à des gouvernements autochtones des TNO (comme la société Det'on Cho Corporation) ou à des résidents des TNO.

Les craintes de la Ville de Yellowknife et de YKDFN semblent provenir de la structure hiérarchique du processus d'approvisionnement du PAMG qui repose sur les priorités contractuelles du projet. Le rapport du PAMG indique que ce sont des groupes multilatéraux (voir ci-dessous – groupe de travail socioéconomique et organisme consultatif socioéconomique) participant aux activités d'engagement et de collaboration pour prendre en compte les facteurs socioéconomiques du PAMG qui ont orienté et approuvé l'élaboration des définitions suivantes : « fournisseurs du Nord », « fournisseurs du sud du pays », « fournisseurs autochtones », et « fournisseurs en vertu des considérations autochtones en matière d'approvisionnement ». Ces définitions contrastent avec celles se trouvant dans l'entente socioéconomique du GTNO qui dispose d'une structure hiérarchique plus simple: « Autochtones des TNO », « Non-Autochtones des TNO » et « Personnes ou organismes d'ailleurs au pays ». Cette structure est plus intuitive pour le nouveau lectorat, car les personnes qui s'y connaissent moins bien pourraient avoir des difficultés à comprendre que les « fournisseurs du Nord » sont essentiellement la somme des fournisseurs des TNO, autochtones et non autochtones (comme le rapport annuel du PAMG n'explique pas entièrement les catégories hiérarchiques). Cette lacune pourrait être réglée en y ajoutant des cumulatifs plus explicites et plus clairs axés sur les TNO.

#### GIANT MINE REMEDIATION PROJECT: PROCUREMENT ANALYSIS

# Research Paper

# **INTRODUCTION:**

The Giant Mine Remediation Project (GMRP) reports that from 2005 to September 2021, an approximate total of \$608 million in contracts have been awarded under the project, with \$300 million (or 49%) going to Indigenous contractors. The Government of the Northwest Territories (GNWT) and Federal Government are both proponents of the GMRP. The GMRP is not an active mine site, but is being remediated, and is owned by the federal government. As such, GMRP procurement is based on the Government of Canada Procurement rules, that commit it to specific procurement and reporting requirements.

In 2021, the City of Yellowknife (Yellowknife) and Yellowknives Dene First Nation (YKDFN) raised concerns that benefits from the project could be flowing outside of the Northwest Territories (NWT). Notably, it was the political leadership of YKDFN that requested data, while GMRP proponents have mainly been in contact with the Det'on Cho Corporation (the economic development arm of the First Nation). The GNWT Department of Industry, Tourism and Investment (ITI) produces an annual report about the Socio-Economic Agreement (SEA) benefits that mines provide to the NWT and was asked to apply this lens to the GMRP (reporting in 2021 included Ekati, Diavik, and Gahcho Kué). To investigate the concern and produce a procurement analysis, ITI has worked with Environment and Natural Resources (ENR), the federal government GMRP team, as well as Parsons, the Main Construction Manager responsible for overseeing activities at site. The analysis conducted by ITI is structurally different from GMRP, using different definitions, but the same data. The GNWT focuses on benefits that go to the NWT, while

federal reporting focuses on their own reporting requirements, in which Northern refers to all three territories, and Indigenous includes Southern Indigenous. As such, this is not an apples-to-apples comparison that would (or could) directly align with what the GMRP reports.

The analysis conducted by ITI shows that benefits from Parsons are staying in the NWT and are on par with the diamond mines, with an average of roughly 68% of contract costs going to businesses owned by NWT Indigenous governments (such as the Det'on Cho Corporation) or NWT residents.

The concerns of City of Yellowknife and YKDFN seem to originate from the GMRP reporting structure on procurement, which is based on contracting priorities for the project. The GMRP reports on 'Northern Suppliers', 'Southern Suppliers', 'Indigenous Suppliers', and 'Indigenous Opportunity Consideration (IOC) Suppliers', definitions that were developed with direction and endorsement from the multi-stakeholder groups that are involved in engagement and collaboration on socio-economics for the GMRP (see below - Socio-economic Working Group and Socio-economic Advisory Body). This contrasts with the GNWT SEA reporting structure under the headings 'NWT Indigenous', 'NWT Other', and 'Southern'. The simplicity of the GNWT SEA reporting structure is intuitive for new readers, whereas those without familiarity may struggle to understand that the 'Northern Suppliers' is essentially the sum of NWT Indigenous and other NWT resident suppliers (as the GMRP annual report does not fully explain the reporting categories). This could potentially be addressed by the addition of NWT focused reporting totals that are more explicit and clearer.

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# **METHOD:**

#### Data:

ITI began its procurement analysis by requesting all contract data from GMRP. However, comprehensive data was only available after 2017, when Parsons took over as the Main Construction Manager. The GMRP is decades old, with multiple stakeholders, managers, and contractors. Collecting and verifying the older data is a complex and difficult process that GMRP is already undertaking, but the scope of this analysis is limited to 2018 and onwards. As such, this analysis does not speak to the wider procurement of the Giant Mine Remediation Project, and only analyzes the procurement of Parsons from 2018 forward. It should be noted that this lens may create lower cumulative spending and higher percentage numbers for NWT procurement, as federal spending has historically been more likely to go south. GMRP is planning for a public registry/database containing information back to 2005 to go live in 2023. The database being constructed is meant to contain all previous reporting on socio-economic benefits, which could be added to this analysis in the future.

To achieve project socio-economic goals, the GMRP formed a Socio-Economic Advisory Body and a Socio-Economic Working Group in late 2018 and early 2019 respectively, which led to the GMRP publishing its Socio-Economic Strategy in September 2019, signaling its commitment to bolster its socio-economic efforts and prepare NWT businesses for upcoming opportunities. Parsons' efforts since 2017 have established a baseline that will be suitable to track the effect of future decisions on socio-economics and analyses (compared to the prior period of care & maintenance).

Because the origin of concerns seems to be related to the reporting structure of the GMRP, the methodology section will explain the precise meaning of terms relevant to SEAs and the GMRP, and how they will be counted for the analysis.

#### **Critical Socio-Economic Terms for SEAs:**

Reporting in the SEAs is sorted into three categories:
1) NWT-Indigenous; 2) NWT Other (or Non-Indigenous Residents); 3) Southern. The exact definitions used to inform this reporting structure are fairly specific:

- "Aboriginal Business" [note, this is now referred to as NWT Indigenous Business in communications] means a business which
- a. complies with the legal requirements to carry on business in the NWT;
- b. meets one of the following criteria:
  - (i) is a limited liability company with at least 51 percent of the company's voting shares beneficially owned by one or more Aboriginal persons resident in the NWT;
  - (ii) is a co-operative with at least 51 percent of the co-operative's voting shares beneficially owned by Aboriginal persons resident in the NWT;
  - (iii) is a sole proprietorship, the proprietor of which is an Aboriginal person resident in the NWT; or
  - (iv) is a partnership, the majority interest in which is owned by one or more Aboriginal persons resident in the NWT and in which the majority of benefits, under the partnership agreement, accrue to such Aboriginals; and
- c. complies with all of the following criteria:
  - (i) maintains a permanent place of business in the NWT;
  - (ii) maintains a manager, who is an NWT Resident; and
  - (iii) undertakes the majority of its management and administrative functions (related to its operations in the NWT) in the NWT.

This definition is linked to the reporting category for NWT Indigenous procurement. The definition used is notable in that it is not based entirely on ownership by NWT-Indigenous residents and considers other factors, requiring that the company maintain a place of business in the NWT, be managed by an NWT resident, and that a majority of operational decisions are made within the NWT. This is standard language across SEAs, with only slight adjustments. The definition of NWT business has matching requirements for ownership and management, but without considering Indigeneity, which leads to the reporting category for NWT Other in an SEA, to reflect businesses owned by non-Indigenous NWT residents.

"Southern" is not a defined term in the SEAs, but the term is used in annual reporting to categorize all individuals and businesses that reside outside of the NWT (in other territories, Canada, or from other countries).

#### **Critical Socio-Economic Terms for GMRP:**

Critical definitions under the GMRP are based on a web of reporting requirements based under different federal programs. For procurement, GMRP reports on Northern Suppliers, Southern Suppliers, Indigenous suppliers, and Indigenous Opportunities Consideration (IOC) suppliers. Notably, only the definition of IOC focuses on benefits to the NWT exclusively, which may impair the ability of Indigenous governments and the public to understand what benefits end up going to NWT Indigenous peoples and NWT residents. For IOCs, more clarity may be needed to communicate that this is a category focused on NWT Indigenous people.

"Northern Business" means a business that has a head office located in one of the three Territories in Canada.

"Southern Business" a business which operates in Canada but does not have a head office location in one of the three territories. Southern businesses may have significant operations in the north, but are still considered southern if their head office is not located in the north.

"Indigenous Business" means a business which meets the following eligibility criteria:

- a. sole proprietorship, limited company, cooperative, partnership or not-for-profit organization in which Indigenous Peoples own and control at least 51% of the enterprise; or
- b. for joint venture, eligible Indigenous Businesses can partner with non-Indigenous businesses.
   The Indigenous Business needs to demonstrate that 33% of the value of the work performed under the contract will be performed by the Indigenous Business.

"Indigenous Peoples" has the meaning ascribed to "aboriginal peoples of Canada" in section 35 of the Constitution Act, 1982, and the word "Indigenous" has the same meaning as "aboriginal."

Through Indigenous Opportunities Considerations, or IOCs, the GMRP aims to provide benefits from all work packages to the Indigenous communities in the area of the contract. IOCs are a policy tool of federal government contracting, that are meant to secure employment, training, and business opportunities for Indigenous businesses and people. The IOC applies to all Indigenous people/businesses from the area of the contract. The YKDFN, Tlicho, NMSA would benefit the most as they are the 3 Indigenous groups from the area of the contract. Currently, GMRP uses the following to explain the IOC policy:

Point-rated evaluation criteria used within a competitive solicitation process which evaluate bidders on the basis of the type and extent of commitments made to maximizing participation from the Indigenous people and businesses who reside within the area of the contract. Within a non-competitive solicitation process the IOC's are requested in non-competitive requirements, and it's the bidders choice to identify commitments. Currently bidders provide commitments, and are held to those. In the future, bidders will be required to provide a proposal about how they will meet their commitments.

IOCs are designed to give tangible benefits back to all Indigenous businesses and people residing in the area of the contract including the Yellowknives Dene First Nation (YKDFN), North Slave Métis Alliance (NSMA), and Tłįcho government (TG). IOC training/labour is defined as Indigenous individuals residing within the area of the contract; IOC subcontract is defined as an Indigenous business with a head office within the area of the contract. All IOC individuals/businesses would also be NWT individuals/businesses (with the exception that IOC does not have the same 6-month residency requirement).

Contractors include IOC plans related to three areas in their bids: Indigenous employment, Training/ apprenticeship opportunities, and sub-contracting to Indigenous companies. Minimum thresholds are set for each category, contractors can set commitments above those thresholds for each IOC category and are awarded weighted points on bid evaluations for each category, and each category has its own penalty and bonus structure on contract payments. IOCs are intended to provide opportunities for Indigenous businesses and people. Benefits are provided to the community via contribution agreements. The opportunities from the IOCs can be guite complex and may be confusing to new readers who do not understand the reporting structure. Moreover, the IOC targets and goals of any contract can be quite different from another contract, and the exact details are not externally reported at this time.

While the reporting in the Environmental Agreement GMRP Annual Report (submitted to Giant Mine Oversight Body (GMOB) on procurement is generally focused on statistics for the reporting categories Northern, Southern, Indigenous, and IOCs, GMRP has additional measures in place to increase the amount of benefits that go to Indigenous people (in Canada and in the NWT).

The federal PSIB (Procurement Strategy for Indigenous Businesses) can be used to solicit bids only from Indigenous Businesses, as a tool to increase Indigenous business opportunities. PSIB (and Indigenous Business capacity to complete a contract) is assessed on all work packages before they are tendered. The tool is utilized when at least two Indigenous companies owned by Indigenous people and located in the area within both Môwhì Gogha Dè Nîîtåèè, as defined in the Tłıcho Land Claims and Self-Government Agreement, and the Akaitcho Asserted Territory, as defined in the Akaitcho Interim Measures Agreement intend to bid on the work. Parsons conducts research on Indigenous and Northern business capacity, such as the Labour Capacity Study in December 2021, and assesses the willingness of Indigenous businesses to pursue each contract prior to recommending a PSIB approach to a work package. PSIB is meant to increase capacity of Indigenous Businesses by presenting opportunities to explore partnerships and joint ventures. PSIB is not a reported category in GMRP annual reporting on procurement; the value generated from PSIB contracts would be counted towards the 'Indigenous Suppliers' category

The GMRP must also adhere to the Community Benefit Agreement signed with the YKDFN. The agreement was signed between Canada and the YKDFN, detailing commitments related to the Giant Mine Remediation Project. The CBA objectives are to maximize participation in economic opportunities arising from the Project through training and capacity building, socio-economic development and coordination of procurement activities, continue to support health studies, supporting annual healing ceremonies, and monitoring and perpetual care planning and recognizes the YKDFN's profound interest in a successful remediation of the site.

The CBA also identified that a Procurement Framework Agreement will be created and signed between the parties to further specify details and actions related to the objectives. The Procurement Framework Agreement's objectives are to improve the coordination of procurement opportunities arising from the project to maximize the number of work packages awarded to Indigenous Businesses (defined in the agreement), promote and maximize the socio-economic benefits outcomes that arise from the project, regular meetings with the YKDFN, increased reporting requirements, and advance notice for upcoming work packages.

#### Methodology:

The conversion of data relies on several critical assumptions which intentionally simplify the process.

The GMRP definition of "Northern" is inclusive of all Canadian Territories, the NWT, Nunavut, and the Yukon. Northern Indigenous and Northern Non-Indigenous appear to overlap with GNWT SEA-reporting counterpart categories, but only because there are no examples of companies from Nunavut or the Yukon found in the data. While this assumption could be considered crude, it allows for a quick conversion that does not require a review of corporate registries (the definitive, yet burdensome, method to verify the ultimate jurisdiction of ownership for a supplier/contractor). In ITI's analysis, 'Northern Indigenous' reporting from the GMRP was counted as NWT Indigenous procurement. 'Northern

Non-Indigenous' reporting from the GMRP was counted as NWT Non-Indigenous in ITI's analysis.

IOCs should generally align with NWT Indigenous benefits, as they are considerations specifically for Indigenous businesses and citizens near the location of the project. However, there is at least one example of a Southern sub-contractor qualifying as an IOC supplier. The reason for this outlier is unclear, and it should be stated that this was contract was for roughly \$500 in 2018, a negligible sum in comparison to Parsons' spending. Ownership location of IOC contracts was only tracked in 2018 in the data reviewed, which limits a more thorough analysis of 2019-2021.

# **RESULTS:**

The following two tables summarize the analysis of Parsons' contracts that were completed from the period of 2018-2021, in nominal dollar amounts and percentages respectively. However, for the year of 2021, only the first quarter has verified contracting data. Therefore, contracts of the MCM that are new, ongoing, or were completed after March 2021 are excluded. There were several large contracts towards the end of 2021 that were awarded to NWT businesses, which when reported, will show much higher outcomes for 2021. Without going into extensive detail, late 2021 saw contracts for Early Works Backfill for \$38M, Care and Maintenance for \$13M, and Landfill for \$7M, which all went to NWT-Indigenous businesses.

Table 1:

Total Contract Values with CCE's (Pre-GST, \$)						
2018	2019	2020	2021*			
\$10,406,986.76	\$15,347,484.23	\$10,253,762.59	\$2,789,787.30	NWT-Indigenous		
\$4,994,083.65	\$4,906,553.59	\$2,341,411.46	\$622,717.09	NWT Non-Indigenous		
\$15,401,069.41	\$20,254,037.82	\$12,595,174.05	\$3,412,504.39	NWT Benefits Sub-Total		
\$4,848,815.38	\$7,347,086.25	\$10,106,247.21	\$1,817,855.31	Southern		
\$20,249,885.79	\$27,601,124.07	\$22,701,421.26	\$5,230,359.70	Total		

<sup>\*</sup>Fiscal 2020-2021 Q4

#### Table 2:

Total Contract Values with CCE's (Pre-GST, \$)						
2018	2019	2020	2021*			
51.4%	55.6%	45.2%	53.3%	NWT-Indigenous		
24.7%	17.8%	10.3%	11.9%	NWT Non-Indigenous		
76.1%	73.4%	55.5%	65.2%	<b>NWT Benefits Sub-Total</b>		
23.9%	26.6%	44.5%	34.8%	Southern		
100%	100%	100%	100%	Total		

The following is a general breakdown of which contracts went south, and the reasons why.

## **Categories of Contracts that went South:**

- Construction
- Air quality monitoring programs
- Medical (sampling and analysis)
- Materials (lime, sulphate, dust suppressant)
- Drilling
- Installing specialized equipment (specifically water pumps and thermosyphons)

#### Reasons contracts went south:

- Not receiving the highest score on contract evaluation
- Disqualification for applications below required standards, or lacking requirements such as references or not attending site tours
- No northern companies submitting a bid
- Non-competitive processes where technical capability is absent in northern companies (these contracts were limited to the specialized equipment items)

# **DISCUSSION:**

This analysis covers the period that Parsons has overseen the onsite activities (2018-2020 Q4) but does not address when Canada held the site (2004-2017). Parsons has been demonstrating strong performance in procuring from Northern and Northern Indigenous Businesses. Roughly 68% of the total cumulative value of awarded contracts over this period has gone to NWT Indigenous and resident businesses. For context, the cumulative northern procurement for mines with SEAs ranged from 64%-71%. Performance in 2020 was low, but Parsons has been close, within, and above the range for mines during the time of their tenure. Low performance in 2020 can be explained by it being a design-intensive year, where the GMRP was focused on securing a Water Licence and Parsons having to extend large existing contracts, which required southern experts.

ITI has built upon its initial analysis by adding considerations for contracts that went south. Air monitoring makes up the vast majority of contract dollars going south, roughly 77% of total southern contracts. The contractor in this case has a satellite office in the NWT, but is owned and operated out of the South. This identifies an opportunity for the GNWT and NWT businesses to build capacity in this area, which may be worth pursuing, so that NWT companies have the capacity to pursue these types of contracts in the future. Drilling made up the next highest proportion of southern contracts, at roughly 12%. The drilling appears to require specialized equipment, logistical capabilities, and

overall capacity; and more investigation is required to determine if future remediation efforts could benefit from building capacity in this area. For one contract in particular, local Indigenous governments were not able to establish a joint venture with access to helicopter-drilling (a fairly unique request) in time to submit a tender.

Under GMRP reporting, the definitions (and procurement priorities) of 'Northern Indigenous Businesses' and 'Northern businesses' both allow and have the potential for leakage of benefits to non-NWT businesses. The 'Northern' priority allows benefits to leak to other Territories.

The GMRP's Indigenous reporting category includes PSIB contracts, which is restricted to Indigenous, Canadian citizens, that are businesses owners, which allows for leakage of benefits outside of the area of the contract. Additionally, PSIB requires at least 51% ownership by an Indigenous business, meaning that up to 49% of those contract values could be leaked to other jurisdictions. These procurement priorities do not maximize benefits going to the NWT, but there does not appear to be any significant leakage occurring. The contracting priorities of the GMRP are dictated by federal law, but even with these risks and legislated requirements, the majority of contracts are staying in the NWT.

To address any ongoing concerns of regional NWT stakeholders, it may be pragmatic to create additional indicators for reporting that would focus on benefits to Indigenous and non-Indigenous NWT businesses and citizens specifically. This would not require any adjustment to the procurement system, but would simply be a different way of reporting on the same data.

The GMRP's Annual Report to the Giant Mine Oversight Board (GMOB), as per the Environmental Agreement, contains an IOC category in the analysis of overall procurement to Northern, Southern, and Indigenous businesses. In the report, there is no explanation of what is included in the IOC reporting category, nor is it explained how the concept is different or how it overlaps with the other categories. In subsequent discussions with GMRP

proponents, it has been explained as an 'overall indicator' that accounts for many complex IOC arrangements.

As noted earlier, there is one documented case of a very small contract going to a southern subcontractor being counted towards the IOCs in 2018 reporting. In the vast majority of cases, the IOC suppliers appear to be owned by an NWT Indigenous government, through an economic development corporation to support the First Nation. IOCs were treated on a case-by-case basis where there was additional information about ownership location. However, ownership location was not tracked in the 2019-2021 data, and those contracts have been counted as NWT Indigenous benefits where there is no additional information. While this method introduces some inaccuracy, it does not appear to significantly impact measurement of NWT benefits. While some southern based businesses may qualify for IOCs, they provide opportunities for Indigenous people and businesses from the contract area including the YKDFN, NSMA, and TG members, and are rewarded or penalized according to their performance.

Joint ventures are being used to increase benefits to 'Northern Indigenous Business' in a positive manner that builds the capacity of Indigenous economic development corporations to access contracts they would not otherwise qualify for. The use of joint ventures is a key part of GMRP's and Parsons' overall socio-economic strategy, which is intended to build capacity in the short and long term (eventually without a joint venture). 33% of a contract must be performed by an Indigenous business for a joint venture to qualify as an Indigenous business in GMRP reporting. The exact level of equity cannot be determined from reporting data. While this increases the number of contracts that NWT-Indigenous groups can apply for, it almost necessarily allows a portion of benefits to leak to southern jurisdictions. For example, the Det'on Cho/ Nuna joint venture headquartered in Alberta would split profits based on equity in the joint venture. Additionally, businesses with headquarters in the NWT can be considered Northern Indigenous even

if the Indigenous government or organization that owns it is located in the South. For example, Nahanni Construction has a headquarters in the NWT but the Manitoba Metis Federation is the controlling owner of the joint venture. Again, while ITI has identified the potential for leakage, it appears that a majority of the benefits are staying in the north.

Additionally, given the strong performance of Parsons, in order to demonstrate that a majority of benefits are going to the NWT, all that may be needed is an additional layer of NWT-focused reporting. While GMRP is responsible to report in a specific form under federal requirements, additional NWT-focused reporting could be added.

### **CONCLUSION:**

Parsons has demonstrated strong performance during their time as the Main Construction Manager of the GMRP. 68% of total procurement during this time period has gone to NWT Indigenous businesses (such as the Det'on Cho Corporation) and NWT businesses. The numbers have fluctuated, but performance has been quite comparable to the GNWT's SEAs with active mines.

The concerns brought to GNWT about GMRP's procurement appear to originate from a lack of NWT-focused reporting in the annual reports of the GMRP. None of the reporting categories but IOC have a focus on the NWT, and the connection between IOCs and NWT Indigenous governments and residents is not immediately apparent when reading the report. As such, it is recommended that intuitive reporting metrics are created that focus on the NWT where necessary, likely for procurement and employment. Additionally, the GMRP may be able to broadcast

PSIB and its community benefit agreement with YKDFN (and any other agreements with Indigenous governments) with more emphasis in the socioeconomic section of its annual report to show how these tools are positively impacting procurement (and possibly employment) outcomes.

GMRP has committed to consider adding an NWT-focused reporting metric for procurement to 'Matilda', a database that will contain all of GMRP's socio-economic data (currently under construction). This database will greatly enhance the ability to report on socio-economics for Giant Mine, but could also serve as a template for future efforts for socio-economics reporting for remediation. The anticipated launch date for Matilda is some time in 2022, although it make take some additional time for GMRP to require SEA-definition based reporting.

The GNWT is working in partnership with Canada's Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) to learn more about the economic potential for remediation work in the NWT over the next 30 years. CIRNAC NWT Region is leading this collaborative initiative to seek funding through the federal government's Strategic Partnerships Initiative (SPI). The funding would be used to support scale-up needs for Indigenous and non-Indigenous businesses, as well as professional skills development for Indigenous employees in areas where there are gaps.

GMRP is inextricably linked to the GNWT's efforts to build a remediation economy. This analysis identified several contracts that went south, where the GNWT might be able to build capacity so that, over the long-term, NWT Indigenous and resident businesses earn a greater share of the benefits from remediation work in the NWT.

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Kīspin ki nitawihtīn ē nīhīyawihk ōma ācimōwin, tipwāsinān. Cree

Tłį cho yati k'è è . Di wegodi newo dè, gots'o gonede. Tłj cho

Perihtł'ís Dëne Sųłiné yati t'a huts'elkër xa beyáyati thezą zat'e, nuwe ts'ën yółti. Chipewyan

Edi gondi dehgáh got'je zhatié k'éé edatl'éh enahddhe nide naxets'é edahlí. South Slavey

> K'áhshó got'į ne xədə k'é hederi zedį htl'é yeriniwę ní dé dúle. North Slavey

Jii gwandak izhii ginjìk vat'atr'ijąhch'uu zhit yinohthan jì', diits'àt ginohkhìi. Gwich'in

> Uvanittuaq ilitchurisukupku Inuvialuktun, ququaqluta. Inuvialuktun

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Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit. Inuinnaqtun

Indigenous Languages and Education Secretariat: 867-767-9346 ext. 71037 Francophone Affairs Secretariat: 867-767-9343

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OCTOBER 17, 2022