



RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:
Public Works and Government Services Canada
100-167 Lombard
PO Box 1408
Winnipeg
Manitoba
R3B 0T6
Bid Fax: (204) 983-0338

SOLICITATION AMENDMENT
MODIFICATION DE L'INVITATION

The referenced document is hereby revised; unless otherwise indicated, all other terms and conditions of the Solicitation remain the same.

Ce document est par la présente révisé; sauf indication contraire, les modalités de l'invitation demeurent les mêmes.

Comments - Commentaires

Vendor/Firm Name and Address
Raison sociale et adresse du
fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution
Public Works and Government Services Canada
Northern Contaminated Site Program
ATB Place North Tower
10025 Jasper Avenue
Edmonton
Alberta
T5J 1S6

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|---|--|
| Title - Sujet DEW Line Sites Monitoring ISR17 | |
| Solicitation No. - N° de l'invitation W6837-161004/A | Amendment No. - N° modif. 001 |
| Client Reference No. - N° de référence du client W6837-161004 | Date 2017-01-26 |
| GETS Reference No. - N° de référence de SEAG PW-\$NCS-080-10968 | |
| File No. - N° de dossier NCS-6-39312 (080) | CCC No./N° CCC - FMS No./N° VME |
| Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2017-02-14 | |
| F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input checked="" type="checkbox"/> Other-Autre: <input type="checkbox"/> | |
| Address Enquiries to: - Adresser toutes questions à: Almonte, Cathleen | Buyer Id - Id de l'acheteur ncs080 |
| Telephone No. - N° de téléphone (204) 229-3862 () | FAX No. - N° de FAX () - |
| Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: | |

Instructions: See Herein

Instructions: Voir aux présentes

| | |
|--|--|
| Delivery Required - Livraison exigée | Delivery Offered - Livraison proposée |
| Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur | |
| Telephone No. - N° de téléphone Facsimile No. - N° de télécopieur | |
| Name and title of person authorized to sign on behalf of Vendor/Firm (type or print) Nom et titre de la personne autorisée à signer au nom du fournisseur/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie) | |
| Signature | Date |

DEW Line Sites Monitoring Program

Amendment No. 001 is hereby issued to modify Solicitation No. W6837-161004/A as follows:

1. Reference Part A – Supplementary Instructions to Proponents and amend as follows:

INSERT: the following in its entirety

SI11 Supplementary Insurance

This procurement contains a Supplementary Insurance Requirement described in the Supplementary Conditions.

2. Reference Part B – Terms, Conditions and Clauses, Item 2 Supplementary Conditions and amend as follows:

INSERT: the following in its entirety

SC8 Supplementary Insurance

Environmental Impairment Liability Insurance

1. The Contractor must obtain Type 1 Pollution Legal Liability – Fixed Site Coverage and Type 3 Storage Tank Third Party Liability insurance, and maintain it in force throughout the duration of the Contract, in an amount usual for a contract of this nature, but for not less than \$1,000,000 per accident or occurrence and in the annual aggregate.
2. If the policy is written on a claims-made basis, coverage must be in place for a period of at least 12 months after the completion or termination of the Contract.
3. The Type 1 Pollution Legal Liability – Fixed Site Coverage and Type 2 Storage Tank Third Party Liability policy must include the following:
 - a. Additional Insured: Canada is added as an additional insured, but only with respect to liability arising out of the Contractor's performance of the Contract. The interest of Canada as additional insured should read as follows: Canada, represented by Public Works and Government Services Canada.
 - b. Notice of Cancellation: The Insurer will endeavour to provide the Contracting Authority thirty (30) days written notice of policy cancellation.
 - c. Separation of Insureds: The policy must apply to each Insured in the same manner and to the same extent as if a separate policy had been issued to each.

- d. Contractual Liability: The policy must, on a blanket basis or by specific reference to the Contract, extend to assumed liabilities with respect to contractual provisions.
- e. Incidental Transit Extension: The policy must extend to losses arising from any waste, products or materials transported, shipped, or delivered via any transportation mode to a location beyond the boundaries of a site at which the Contractor or any entity for which the Contractor is legally liable is performing or has performed the operations described in the contract.
- f. Storage Tank Third-Party Liability - The policy must extend to off-site third party bodily injury and property damage due to releases from storage tanks (above and below ground). Coverage must include corrective action and clean-up due to releases from storage tanks.
- g. Litigation Rights: Pursuant to subsection 5(d) of the [*Department of Justice Act*](#), S.C. 1993, c. J-2, s.1, if a suit is instituted for or against Canada which the Insurer would, but for this clause, have the right to pursue or defend on behalf of Canada as an Additional Named Insured under the insurance policy, the Insurer must promptly contact the Attorney General of Canada to agree on the legal strategies by sending a letter, by registered mail or by courier, with an acknowledgement of receipt.

For the province of Quebec, send to:

*Director Business Law Directorate,
Quebec Regional Office (Ottawa),
Department of Justice,
284 Wellington Street, Room SAT-6042,
Ottawa, Ontario, K1A 0H8*

For other provinces and territories, send to:

*Senior General Counsel,
Civil Litigation Section,
Department of Justice
234 Wellington Street, East Tower
Ottawa, Ontario K1A 0H8*

A copy of the letter must be sent to the Contracting Authority. Canada reserves the right to co-defend any action brought against Canada. All expenses incurred by Canada to co-defend such actions will be at Canada's expense. If Canada decides to co-defend any action brought against it, and Canada does not agree to a proposed settlement agreed to by the Contractor's insurer and the plaintiff(s) that would result in the settlement or dismissal of the action against Canada, then Canada will be responsible to the Contractor's insurer for any difference between the proposed settlement amount and the amount finally awarded or paid to the plaintiffs (inclusive of costs and interest) on behalf of Canada.

3. Reference Appendix E – Project Brief / Terms of Reference and amend as follows:

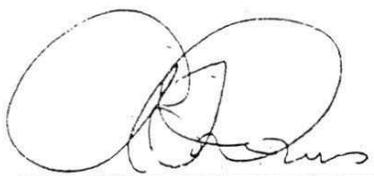
INSERT: attached PDF titled, “Appendix S – Inuvialuit-DND DEW Line Agreement_Eng only”.

Return Bids to: Bid Receiving – PWGSC
Room 100 – 167 Lombard Avenue
Winnipeg, Manitoba, R3B 0T6

If your bid has already been forwarded and you wish to revise the same, this revision should reach the Bid Receiving Unit identified before the closing date. The bid number and closing date are to be clearly identified.

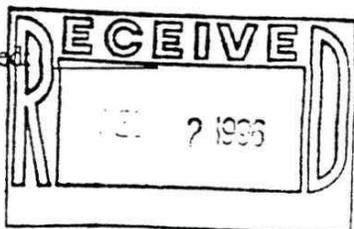
ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

COOPERATION AGREEMENT
BETWEEN
THE INUVIALUIT REGIONAL CORPORATION
AND
THE DEPARTMENT OF NATIONAL DEFENCE
CONCERNING THE RESTORATION AND CLEAN-UP
OF DEW SITES
WITHIN THE INUVIALUIT SETTLEMENT REGION



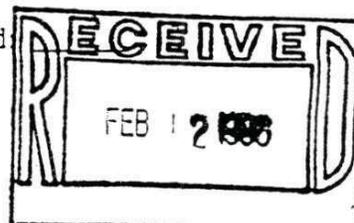
Director General Environment
Department of National Defence

Dated



Chairman
Inuvialuit Regional
Corporation

Dated



PREAMBLE

Whereas the Government of Canada, herein referred to as Canada, has modernized the air defence of Canada through a joint USA/Canada project referred to as North American Air Defence Modernization (NAADM);

And whereas, NAADM includes the conversion of certain Distant Early Warning (DEW) radar sites to North Warning System (NWS) radar sites;

And whereas DEW facilities, and portions of the associated land use areas are no longer in use, and require extensive restoration and clean-up;

And whereas certain DEW sites are located on Inuvialuit Lands and certain other DEW sites are located on Crown lands within the Inuvialuit Settlement Region (ISR);

And whereas the rights and responsibilities of the Inuvialuit and Canada pertaining to Inuvialuit Lands are detailed in the Inuvialuit Final Agreement (IFA);

And whereas the Inuvialuit have a general interest in all activities that occur within the ISR;

And whereas, pursuant to Sections 7, 10 and 16 of the IFA, the Inuvialuit shall be afforded the opportunity to participate meaningfully in development activities upon Inuvialuit Lands and within the ISR;

And whereas, DND and the Inuvialuit are voluntarily entering into this Cooperation Agreement, hereinafter referred to as the "Cooperation Agreement" or the "Agreement", to establish a broad framework for participation of the Inuvialuit in the restoration and clean-up of the DEW sites within the ISR;

And whereas, this Cooperation Agreement, supplemented by specific details included in Participation Agreements concluded by DND or its contractors and the Inuvialuit Land Administration (ILA) on behalf of the Inuvialuit Regional Corporation (IRC) as and when required, will constitute and fulfil the Participation Agreement requirements detailed in Section 10 of the IFA;

Now therefore, in consideration of the premises and mutual covenants contained herein, the Parties agree as follows:

1. DEFINITIONS

Contractor

Means a party who has contracted with the Government of Canada contracting agency to carry out a restoration or clean-up activity.

DEW Sites

Means the Distant Early Warning Sites under the administration and control of DND as listed in paragraph 2(1).

DIAND

Means the Crown represented by the Minister of Indian and Northern Affairs or his delegate.

DIAND/DND MOU

Means the Memorandum of Understanding Between The Department of Indian Affairs and Northern Development and The Department of National Defence For the Restoration Of Distant Early Warning System and North Warning System Sites effective on July 5, 1989.

DND

Means the Crown represented by the Minister of National Defence or his delegate.

General Protocol

Means the General Protocol For DEW Line Clean up developed by DND and DIAND in 1991 and attached in Schedule 1.

Inuvialuit

Means those people known as Inuvialuit who are beneficiaries under the Inuvialuit Final Agreement and, where the context requires, includes the Inuvialuit Regional Corporation, the Inuvialuit Development Corporation (IDC), the Inuvialuit Community Corporations and any other corporations or trusts

controlled by the Inuvialuit that may be established by or pursuant or subsequent to the IFA and for the purposes of the Cooperation Agreement are represented by the Chairman of the Inuvialuit Regional Corporation.

Inuvialuit Business(es)

Means corporations, joint ventures, partnerships or proprietorships that are 50% or more owned by the Inuvialuit.

Inuvialuit Final Agreement

Means "The Western Arctic Claim - The Inuvialuit Final Agreement" dated June 5, 1984 agreed to by the Government of Canada and the Inuvialuit. The Government of Canada gave effect to the IFA by the Western Arctic (Inuvialuit) Claims Settlements Act, being Chapter 24 of the Statutes of Canada, 1984, and as amended by an Act To Amend the Western Arctic (Inuvialuit) Claims Settlement Act, being Chapter 16 of the Statutes of Canada, 1988 and such further amendments that may be made during the currency of this Agreement.

Inuvialuit Lands

Means those lands to which the Inuvialuit have been granted title pursuant to clauses 7(1)(a) and 7(1)(b) of the Inuvialuit Final Agreement.

Inuvialuit Settlement Region

Means that portion of the Northwest Territories, Yukon Territory and adjacent offshore area shown in Annex A and described in Annex A-1 of the Inuvialuit Final Agreement.

Parties

Means the Inuvialuit Regional Corporation and the Department of National Defence.

Provisions

Means any warranty, term, agreement or representation set out in this Agreement.

PWGSC

Means the Crown represented by the Minister of Public Works and Government Services or his delegate.

Rules

Means the ILA Rules and Procedures adopted pursuant to the IRC by-laws on April 1, 1986 for the management and administration of the Inuvialuit lands.

Subcontractor

Means a party who contracts with a Contractor or Subcontractor to perform any part of the Contractor's obligations on a particular contract. The Contractor is accountable for the work performed by the Subcontractor.

Work

Means the materials, services, matters and things done or furnished or required to be done or furnished to perform a DEW site clean-up or restoration activity within the ISR.

2. GENERAL

2(1) Precedents

This Cooperation Agreement specifically relates to cooperation between DND and the Inuvialuit for the restoration and clean-up of the DEW Sites, and related activities, occurring at all sites located within the ISR. The DEW Sites which are within the ISR are as follows:

- BAR 1 - at/near Komakuk Beach
- BAR 2 - at/near Shingle Point
- BAR 3 - at/near Tuktoyaktuk
- BAR 4 - at/near Nicholson Peninsula
- PIN M - at/near Cape Parry
- PIN 1 - at/near Clinton Point

This Agreement is not to be construed as a precedent for interpreting any federal government or military obligations pursuant to the IFA; neither is it a precedent for such activities occurring outside the ISR. It is also not to be

construed by other developers as a precedent for any other construction activities in the ISR. For greater certainty, this Agreement including but not limited to the protocols and standards provided for in Schedule 1, shall not be construed as a precedent for any sites other than those listed above.

2(2) Time Is Of The Essence

The Parties mutually agree to recognize the urgency of the matters dealt with in this Cooperation Agreement and to perform all required actions expeditiously.

2(3) Objectives

The objectives of this Agreement are to establish a broad framework for participation of the Inuvialuit in the clean-up of the DEW Sites in the ISR in accordance with the goals and objectives set out in the IFA and to achieve efficient and cost effective DEW Site clean-up and restoration in accordance with Federal laws and guidelines regarding environment and health protection.

2(4) Representation

For the purposes of implementing and administering this Cooperation Agreement, the respective Parties shall be represented as follows:

- a. the Inuvialuit shall be represented by the Chairman of the Inuvialuit Regional Corporation; and
- b. DND shall be represented by the Director General Environment.

Each Party may formally delegate responsibilities to named individuals for specific functions, by doing so in writing.

3. RESTORATION AND CLEAN-UP PLANS

3(1) Site Specific Protocols

All clean-up and restoration operations will be undertaken in accordance with the Protocols in Schedule 1.

3(2) Site Specific Clean-up Plan

A Site Specific Clean-up Plan will be developed by DND in accordance with the Protocols in Schedule 1 and will include an Inuvialuit Employment and Training Plan pursuant to Section 7 of this agreement. Prior to the issuance of any Requests For Proposal, bid invitations or bid solicitations, DND and the IRC will agree upon the Site Specific Clean-up Plan. With the exception of Tuktoyaktuk, unless otherwise agreed to by both Parties, site specific clean-up plans for a site will be submitted to the IRC at least six months prior to the proposed work start up for that site as per Schedule 2. For Tuktoyaktuk, the Site Specific Clean-up Plan will be submitted to IRC by 15 February 1996.

4. IMPLEMENTATION

4(1) Contractual Mechanism

- a. The Government of Canada Contracting Agency will include a term in all contracts for work, that the Contractor will comply with this Agreement and a term that the Contractor will ensure that any Subcontractors will also be bound by similar provisions, wherever applicable.
- b. DND will, where feasible and cost effective, arrange that the Work specified in each contract will, at a minimum, consist of the complete clean-up and restoration of at least one full DEW Site.

4(2) Inuvialuit Final Agreement (IFA)

For all Work the Parties will comply with the IFA.

4(3) Inuvialuit Lands

All use of and access to Inuvialuit Lands by all Contractors and Subcontractors for the purposes of the Work will be subject to the IFA and the Rules where they are not inconsistent with the IFA and/or the legislation giving effect to the IFA. A letter between DND and the IRC is attached at Schedule 5 which provides further information concerning the arrangement agreed to between the Parties respecting DND's reservations on Inuvialuit lands listed on Annex R of the IFA.

4(4) Clean-up Schedules

The commencement and completion of the Work will take place in accordance with the attached Schedule 2 unless operational events or significant budget cuts to the Defence Services Program take place which could have a material impact on this schedule. If there is a significant budget cut, DND will provide the IRC with a written explanation outlining the changes to its budget for the DEW Line Clean-up and the anticipated impact on Schedule 2. In the event of an anticipated delay, the Parties will review the schedule and develop a new schedule which would minimize any delays from the timetable set out in Schedule 2.

4(5) Monitoring and Review

- a. To ensure that the provisions of this Agreement are being implemented to the satisfaction of both Parties, it is agreed that, for the duration of this Agreement, there will be a Review Committee. This Committee shall monitor progress, develop recommendations and suggest alternative solutions for achieving the commitments set in this Agreement by:
 - (1) reviewing the plans for Inuvialuit opportunities required in this Agreement in Site Specific Clean-up Plans;
 - (2) reviewing and evaluating the effectiveness of the plans during the implementation;
 - (3) reviewing progress in achieving the commitments set out in this Agreement including an examination of the employment and training programs, and, all employment trends and statistics;
 - (4) identifying training opportunities and organizations and potential sources of funding to provide the said training;
 - (5) reviewing status and issues relating to leases, permits, and other documentation applicable to both Parties;
 - (6) ensuring that any deficiencies with respect to the Work or to this agreement are brought to the attention of the Parties and are expeditiously acted upon; and

- (7) considering other items related to the implementation of the Agreements.
- b. The Review Committee shall:
- (1) consist of four members, two to be named by DND and two to be named by IRC;
 - (2) be co-chaired by a member from each Party;
 - (3) meet as required and at least twice a year;
 - (4) meet at locations and at times as mutually agreed upon;
 - (5) invite, as appropriate and with mutual agreement, representative(s) of other government departments and non-governmental organizations and contractors to provide advice as required; and
 - (6) provide a mutually agreed agenda to the designated Review Committee members not less than ten (10) working days before each scheduled meeting.
- c. For the purpose of carrying out its duties, the Committee shall have the right to obtain from DND and the Inuvialuit all relevant information with the exception of information specifically excluded under the Federal Access to Information Act and information that was provided to the Crown or the Inuvialuit in confidence or information that is classified in accordance with the laws and regulations of Canada.
- d. Each of the participants is responsible for its respective costs involved with participating in Review Committee meetings.

4(6) Review Committee Recommendations

The agreed upon recommendations of the Review Committee will be implemented subject to ratification by DND and the IRC.

4(7) Arbitration

The Inuvialuit and DND shall attempt to resolve any differences without recourse to third parties. However, should circumstances require arbitration the following procedure will apply:

- a. If the Inuvialuit and DND cannot agree on any question of fact (as opposed to a question of law or mixed law and fact) related to the interpretation, implementation, or operation of this Agreement, either Party can submit the disagreement to a determination by arbitration, in accordance with the procedures set out below.
- b. The Arbitration proceedings shall be held in a location agreed upon by the Parties.
- c. Within ten (10) days of a written demand of either Party to refer a dispute to arbitration under the provisions of paragraph 4(7)a above, each Party shall name an arbitrator. The arbitrator shall then choose a third arbitrator who shall chair the Board. If the two arbitrators fail within ten (10) days from the date the last arbitrator was appointed to agree upon and appoint the third arbitrator, then upon written application by either Party such third independent arbitrator shall be appointed by a Judge of the Supreme Court of the Northwest Territories.
- d. The Arbitration Board's procedures shall be determined by the Parties to the arbitration, subject to the following:
 - (1) Unless the Parties to the arbitration otherwise agree, the procedure shall assure a right to at least one oral hearing before the Board said hearing to be held within 60 days of the Board being fully constituted under the provisions of paragraph 4(7)c above, as well as the opportunity to provide written submissions and rebuttal arguments.
 - (2) Unless the Parties to the arbitration otherwise agree, the Board shall have jurisdiction to decide whether any Interested Party shall be invited or allowed to participate in the arbitration, and if so what the rights and obligations of any such Interested Party shall be with respect to the participation of said Interested Party in the arbitration process.

- (3) Unless the Parties to the arbitration otherwise agree, the Board shall render a decision within (30) days after the hearing or within such other period of time agreed to by the Parties to the arbitration. The Board's decision shall be based on the provisions of the IFA and its implementing legislation as amended, this Agreement, all applicable Acts and Regulations, and on the arguments and submissions of the Parties. The decision shall be in writing and shall state the reasons on which it is based.
 - (4) Unless the Parties to the arbitration otherwise agree, the Board's decision shall be final and binding on all Parties to the arbitration. However, any error of law and/or excess of jurisdiction on the part of the Board shall be subject to judicial review.
 - (5) Unless the Parties to the arbitration otherwise agree, the proceedings as well as the report of the board shall be made public.
- e. Each Party reserves the right to resort to the courts in the case of a dispute over law or mixed law and fact.
 - f. Each Party shall provide for remuneration and expenses of the arbitrator appointed by it. Each Party is responsible for their own costs in preparing for and including the costs of their witnesses and attending arbitration hearings. All other costs shall be equally shared by the Parties to this Agreement.

4(8) Amendments

Either Party may propose in writing an amendment during the term of this Agreement. The Parties mutually agree to consider required amendments in an expeditious manner, particularly where the proposed amendment directly affects the conduct of any Work in progress or scheduled to commence in the near term. Any agreed upon amendments will be executed in writing and attached as an appendix to this Agreement.

5. INUVIALUIT PARTICIPATION PLAN

5(1) Opportunities Planning

DND shall require in all project proposals and tenders an Inuvialuit Participation Plan which will include the type, level and value of Inuvialuit supplied goods and services, training and employment that will be solicited pursuant to the provisions outlined in clauses 6 and 7 of this Agreement and the location of offices and other facilities of the firms inside and outside of the region.

5(2)

DND and the Inuvialuit will establish minimum levels of Inuvialuit Participation which must be achieved in all Contractor Inuvialuit Participation Plans. In order for a contractor's tender or proposal for Work to be considered compliant, the Contractor's Inuvialuit Participation Plan must meet the agreed upon minimum levels of Inuvialuit participation.

6. BUSINESS OPPORTUNITIES AND COMMITMENTS

The following reasonable measures to encourage Inuvialuit participation with respect to contracts and subcontracts awarded for the Work will be taken:

6(1) Business Opportunities and Procedures

DND and the IRC will identify and advise the Inuvialuit of actual and potential business opportunities arising from the Work, and facilitate Inuvialuit involvement in such activities by following the procedures set out in this paragraph.

- a. The IRC shall prepare and maintain a complete list of Inuvialuit Businesses which could provide services to DND, any Contractor or any Subcontractor. Such list shall contain a brief description of the equipment or services provided by the Business, the business experience, address and contact name.
- b. DND shall include as a term in all contracts between DND and a Contractor for Work that, where the Contractor intends to subcontract or procure goods for Work, the Contractor will first solicit bids from qualified businesses on the list of Inuvialuit Businesses referred to in paragraph 5(2)a. This process shall not limit other qualified Inuvialuit businesses from bidding as well. At the same

time, solicitation documents shall also be provided to the IRC. DND and its Contractors shall be held blameless if qualified Inuvialuit Businesses were not solicited because their name did not appear on the list provided by the IRC.

- c. DND shall include as a term in all contracts between DND and a Contractor for Work that where, following a solicitation for bids, a qualified Inuvialuit Business(es) offer(s) a compliant and competitive bid within the time specified in the solicitation documents, and the Contractor decides to execute a contract for that work, the contract will be offered to an Inuvialuit Business. The length of time provided to Inuvialuit businesses to prepare a bid will take into consideration the size and complexity of the work being solicited. In any event, not less than fifteen (15) business days shall be provided for a bid response from the date the solicitation documents are delivered. The Contractor shall determine whether a bid is compliant and competitive and this decision is not subject to the arbitration procedures specified in this Agreement. If it has been determined that a bid response contains minor variances which cause it to be considered not technically compliant or not competitive, the company which submitted the bid will be provided an opportunity to clarify the scope of work and revise its bid accordingly (if required). However, if a Contractor repeatedly determines that Inuvialuit bids are non-compliant in a conscious effort to subvert the objectives of this Agreement, the IRC shall have recourse to the Review Committee and if necessary paragraph 4(7) of this Agreement.
- d. If a sub-contract is not awarded pursuant to a solicitation within the ISR the Work shall be tendered in accordance with the Contractor's or the Subcontractor's policy.
- e. DND shall include as a term in all contracts between DND and a Contractor that if the above procedures relating to the award of sub-contracts have not been followed, or an Inuvialuit Business' offer has not been accepted, the Inuvialuit Business may request, and shall receive within 30 days, a written explanation setting out the reasons why the offer was not accepted. Subject to prior approval by the Inuvialuit Business, a copy of the explanation shall be provided to the IRC.

- f. It is understood that business opportunities provided to the Inuvialuit under this section will be dependent upon these Businesses meeting the required standards and providing the capacity, capability and expertise to supply goods and services in a competitive manner.

6(2) Specific Business Opportunities

DND will include as a term in all contracts between DND and a Contractor for Work that the following specific business opportunities for the provision of goods and services associated with the Work shall be provided through the Contractor or Subcontractors as set out in the subclause hereunder. The Contractor will provide the companies, listed below, a length of time to prepare a bid which takes into consideration the size and complexity of the work being solicited. In any event, not less than fifteen (15) calendar days shall be provided for a bid response from the date the solicitation documents are delivered. Where, following a solicitation for one of the services set out in this clause, the corresponding Inuvialuit Business has submitted a bid that is technically compliant, competitive and based on the lower of published tariffs (where applicable) or most favoured customer rates (where applicable), and the Contractor decides to execute a contract for that Work, the contract shall be offered to that Inuvialuit Business. If it has been determined that a bid response contains minor variances which cause it to be considered not technically compliant or not competitive, the company which submitted the bid will be provided an opportunity to clarify the scope of work and revise its bid accordingly (if required).

- a. Aklak Air will have the first opportunity to bid on all contracts for the transportation of personnel and freight by fixed wing aircraft for flights originating and terminating within the ISR or Inuvik;
- b. The Inuvialuit Projects Inc./Canadian Helicopters Ltd. Joint Venture will have the first opportunity to bid on all contracts for the transportation of personnel and freight by rotary wing aircraft for flights originating and terminating within the ISR or Inuvik;
- c. NTCL will have the first opportunity to bid on all contracts for marine transportation and barging of equipment and supplies;
- d. Inuvialuit Projects Inc. will have the first opportunity to bid on all contracts for camp facilities which are required in addition to any DND owned camp facilities presently located at DEW Sites;

- e. Stanton Distributing will have the first opportunity to bid on all contracts for groceries and foodstuffs required in association with any camp facilities provided for the Work; and

6(3) Granular Material

- a. Contractors and Subcontractors shall obtain gravel from the Inuvialuit for all sites on Inuvialuit lands. The specific gravel requirements will be determined by the Contractors and Subcontractors. The gravel required in excess of gravel which has already been quarried and used for other purposes (eg. runways) at the time of the signing of this Agreement shall be provided by the IDC in accordance with Schedule 3. All other granular material will be procured in accordance with the procedures outlined in Clause 6(1).

6(4) Disposal of Tier II Soils

- a. Subject to 6(4)b, DND will dispose of Tier II soils from DEW Line sites at a disposal site outside the ISR. NTCL will provide the marine transportation and barging of the soils from Nicholson Peninsula, Cape Parry and Shingle Point to Hay River in accordance with the prices set out in Schedule 4. Transportation rates for soils from the remaining DEW Line sites in the ISR will be established six months prior to soil transportation from these sites and will reflect a similar discount over published tariffs as is the case for Nicholson Peninsula and Cape Parry.
- b. Should it no longer be economical to dispose of the Tier II soils outside the ISR, or, it is no longer possible to dispose of the soils outside the ISR, DND reserves the right to pursue, through the applicable processes, approval for the construction of a Northern Disposal Facility. DND recognizes that the IRC is opposed to the construction of a Northern Disposal Facility within the ISR at the time of the signing of this Agreement.

6(5) Business Opportunity Reporting

DND shall file annually with the IRC a list of all contracts for goods and services awarded to Inuvialuit and non-Inuvialuit businesses pursuant to the Inuvialuit Participation Plans and the aggregate value of these contracts.

7. INUVIALUIT EMPLOYMENT AND TRAINING PLANNING

DND and the IRC will identify and advise the Inuvialuit of actual and anticipated employment opportunities arising from the Work and facilitate Inuvialuit involvement in the widest possible range of job classifications by following the procedures set out in this subsection.

7(1) Planning Activities

- a. The IRC will develop and maintain a current list of Inuvialuit available for employment during the clean-up and restoration of DEW Line sites, together with a brief description of the skill and experience of each Inuvialuk. DND will provide the list to its Contractor(s), who in turn will provide the list to all Subcontractors;
- b. Pursuant to clause 3.2, each Site Specific Clean-up Plan will include an Inuvialuit Employment and Training Plan which contains the following elements:
 - (1) the type, level and value of anticipated Inuvialuit employment opportunities;
 - (2) the timing of anticipated Inuvialuit employment opportunities;
 - (3) the identification of education and skill requirements associated with anticipated employment opportunities;
 - (4) the anticipated training and apprenticeship opportunities and the time required to complete such training and apprenticeship;
 - (5) training programs currently available; and
 - (6) specific training commitments by type and level of opportunities.
- c. DND will prepare the Inuvialuit Employment and Training Plan and undertake the following activities:

- (1) develop a pilot project for the purpose of training a group of Inuvialuit to qualify them for particular types of employment; and
- (2) develop a basic orientation course for the clean-up project.

The above measures will be undertaken at least six months in advance of Work or such other time as may be agreed by the Parties taking into account any impact on the Schedule 2 to facilitate the access by Inuvialuit of available positions for Work.

- d. DND will cooperate with the IRC to identify possible funding sources and Government programs which could enhance the development of management and technical skills of the Inuvialuit.

7(2) Implementation Activities

To implement the planning activities for Inuvialuit employment and training, the following measures will be undertaken:

- a. DND will expend up to \$25,000 per site for specific training provided by Contractors and Subcontractors.
- b. DND will provide up to \$25,000 per site to the IRC for Inuvialuit to enrol in training courses related to 7(1)c(1) and 7(1)c(2), for specific training programs, and to provide general vocational counselling to the Inuvialuit.
- c. DND will support IRC applications for funding from established programs administered by other Federal Government Departments;
- d. DND will work cooperatively to encourage Federal Government Departments to tailor existing programs or establish new programs to assist the Inuvialuit in meeting the skill requirements of the Work;
- e. DND and the IRC will work with the Section 16 Committee to identify additional measures which could be undertaken by other Federal Departments and the Territorial Government for enhancing Inuvialuit participation in employment and training opportunities.

f. DND shall require in all project proposals and tenders an Inuvialuit Participation Plan which will include:

- (1) the type, level and value of commitments for on the job training and skills development of Inuvialuit, including apprenticeship arrangements, orientation courses, and opportunities for advancement; and
- (2) level and value of Inuvialuit training and employment, and any measures for optimizing Inuvialuit employment, including training and other support undertakings.

The Inuvialuit Training and Employment Plan will be made available to guide Contractors in the preparation of their Inuvialuit Participation Plan.

g. Pursuant to the Contractor's Inuvialuit Participation Plan, vacancies and employment opportunities will be processed as follows:

- (1) each available position shall first be posted at the IRC offices in Inuvik, and sent to qualified Inuvialuit identified on the list developed by the consultant (clause 6(1) (a); and
- (2) if a qualified Inuvialuk has not been found for the position within five business days of the first notice, then the position may be filled by any qualified non-Inuvialuk.

This procedure will be followed as and when additional vacancies and employment opportunities arise.

h. Any Inuvialuk whose employment is terminated by a Contractor or Subcontractor is entitled to a full explanation for the dismissal. Subject to prior approval by the Inuvialuk, a copy of the explanation shall be provided to the IRC.

i. DND shall provide to the IRC on a semi-annual basis a report containing the following information pursuant to the Inuvialuit Employment and Training Plan:

- (1) the total number and value of Person Years (PYs) worked by Inuvialuit;

- (2) percentage of total hours and total PYs worked by Inuvialuit; and
- (3) a description of training programs and number of hours of training received by Inuvialuit and provided by the Contractor, the percentage of Inuvialuit who successfully completed the training, and the number of graduates who were subsequently hired by Contractors and Subcontractors.

DND and the IRC will periodically review the success of the measures undertaken in this clause, and develop, where necessary, alternative measures provided that DND's total financial obligation for training will not exceed that set out in 7(2)a and 7(2)b.

8. MISCELLANEOUS

8(1) Term

The term of this Agreement is until the clean up of the six DEW Line sites in the ISR is completed in accordance with the provisions of this Agreement. A Party may terminate the Agreement after providing at least one year's written notice to the other Party.

8(2) Invalidity of Provision

The invalidity of any particular provision of this Agreement shall not affect any other provision of it but the Agreement shall be construed as if the invalid provisions had been omitted.

8(3) Severability

Each provision of this Agreement is intended to be severable. If any provision or portion thereof, shall, to any extent, be invalid or unenforceable for any reason whatsoever, the remainder of this Agreement shall not be affected.

8(4) Waiver

No waiver of any provisions of the Agreement by either party shall be deemed or shall constitute a waiver of any other provisions nor shall such waiver constitute a continuing waiver unless expressly provided.

8(5) Notices

a. Where any Party is obliged or entitled to give any notice, request, approval, demand, consent, direction or other communication (hereinafter collectively called "Notice") to the other Party, such Party shall first communicate the substance thereof personally or by telephone, as expeditiously as possible, but Notice shall not be sufficiently given until sent in writing to the addressees at the address below. Any Notice may be delivered personally or sent by registered mail or telefacsimile and will be effective upon receipt by the addressee.

b. Notices to DND shall be sent to:

Director General Environment
National Defence Headquarters
101 Colonel By Drive
Ottawa, Canada K1A 0K2

c. Notices to the IRC shall be sent to:

Chairman
Inuvialuit Regional Corporation
Box 2120
Inuvik NW X0E 0T0

SCHEDULE 1: GENERAL PROTOCOL, REVISED SITE SPECIFIC PROTOCOLS AND THE BARREL PROTOCOL

INTRODUCTION

PREFACE TO SCHEDULE 1

1. For the six DEW sites in the ISR, should any additional debris, contaminated soils (as defined in the protocol at Schedule 1), or equipment, be found within close proximity of the DEW sites that is attributable to the operation DEW Line, during the planning or completion of the DEW Line clean up, additional testing will be undertaken, as required in consultation with the IRC, to establish the extent and effect of any contamination. Clean-up of these locations will be dealt with by DND in accordance with the protocols in Schedule 1.
2. The clean-up of debris or material in sea or ocean water greater than two metres in depth is not part of the protocol. Where there is reasonable evidence that DEW Line related debris has been disposed of in inland water bodies, DND and the IRC will mutually agree on sites to investigate in order to determine the effect of the contamination. All work will be done in accordance with the protocols at Schedule 1.
3. For the six DEW sites in the ISR, all existing structures, tanks pipelines and related infrastructure which are scheduled for demolition will be dealt with in accordance with protocols at Schedule 1.
4. DND will perform long term monitoring programs in accordance with this Schedule and maintain responsibility for the landfills at the DEW sites identified in 2(1) of this Agreement. Should any test results indicate that the conditions at a DEW site no longer comply with the clean-up Protocols in Schedule 1, DND will effect a clean-up in accordance with the clean-up Protocol of this Agreement.
5. Site Specific Clean-up Plans shall include plans for mitigating impacts associated with borrow excavation.
6. Site Specific Clean-up Plans shall consider the proximity of the DEW Line Site to known harvest areas, Inuvialuit camps, communities and ecologically sensitive areas.

DEW LINE CLEAN UP PROTOCOL

The DEW Line Clean Up (DLCU) Protocol was originally endorsed by various government agencies including Environment Canada, Indian and Northern Affairs, Government of the Northwest Territories and Fisheries and Oceans at a meeting in Victoria, B.C. in October 1991. This revised version (April 1994) has been slightly modified as a result of:

- Presentations (1992, 1993, 1994) to the Legislative Assembly of the Northwest Territories;
- Community consultations at ten northern communities in 1992 and twelve in 1993;
- Further scientific studies including analytical field testing, leachate testing and barrel sampling;
- Engineering designs for a landfill leachate control system and a contaminated soil containment facility in permafrost;
- Continuing discussions with regulatory agencies, including a second major workshop held in March 1993; and
- Changes in staffing requirements at the North Warning System sites.

The DLCU Protocol, which is divided into three main areas, provides a strategy for dealing with chemical contamination and physical debris at the DEW Line sites.

Contaminated Soils

Remediation is to be applied to soils and sediments where inorganic elements and/or PCBs have been found to be present at concentrations in excess of the DEW Line Cleanup Criteria (DCC); this includes soils contaminated by sewage in outfall areas and lagoons. The

DCC (Table 1) are a combination of the CCME R/P¹ and Quebec B² criteria and were determined, on the basis of site specific investigations, to be protective of the Arctic ecosystem.

Table 1: DEW Line Cleanup Criteria

| Substance | Units | DCC Tier I | DCC Tier II |
|-----------|-------|------------|-------------|
| Arsenic | ppm | - | 30 |
| Cadmium | ppm | - | 5.0 |
| Chromium | ppm | - | 250 |
| Cobalt | ppm | - | 50 |
| Copper | ppm | - | 100 |
| Lead | ppm | 200 | 500 |
| Mercury | ppm | - | 2.0 |
| Nickel | ppm | - | 100 |
| Zinc | ppm | - | 500 |
| PCBs | ppm | 1.0 | 5.0 |

- Soils containing contaminants above the DCC Tier II level should be excavated.
- Soils containing PCBs and lead at concentrations between the DCC Tier I and Tier II levels may be placed in an on-site engineered landfill.

¹ Interim Canadian Environmental Quality Criteria for Contaminated Sites as of 1991 produced for the Canadian Council of Ministers for the Environment (CCME).

² Quebec Soil Contamination Guidelines as of 1991.

- Special attention should be given to soils that act as sources of contaminants to nearby aquatic environments - even if the concentration of contaminants are below the DCC criteria.
- Soils containing PCBs above the 50 ppm level in contravention of the Canadian Environmental Protection Act (CEPA) must be treated as per the regulation.
- Confirmatory testing will be carried out at the DCC Tier I criteria following the removal of Tier II soils or unstained Tier I soils. Visibly stained contaminated soils will be excavated to a distance extending a minimum of .5 m beyond the boundary of the stain.
- Hydrocarbon stained areas greater than 3 square metres in size will tested for PAH and chlorinated hydrocarbons. If levels exceeding 1×10^{-6} g/g dry weight for PAH and/or 5×10^{-6} g/g dry weight for chlorinated hydrocarbons are found, the stained area will dealt with as a Tier II soil. If free product is found in the soils it will be removed or remediated by soil washing or another acceptable method. Uncontaminated hydrocarbon stained soils will be regraded.

Landfills

These fall into one of three categories:

- Those located in an unstable, high erosion area must be relocated. Contents should be treated as per the procedures for contaminated soils and physical debris.
- Those located in a suitable location with no evidence of contaminated leachate may remain as is; additional granular fill may be required to ensure erosion protection and proper drainage.

- Those located in a suitable location but which are acting as a source of contaminated leachate must be stabilized by the installation of a suitably engineered containment system.

Physical Debris

Visible debris should be sorted into hazardous and non-hazardous components. This includes all unburied material and debris resulting from building demolition.

- Hazardous debris should be dealt with according to appropriate regulations.
- Non-hazardous materials should be buried in an engineered landfill on-site provided that there is a suitable location and sufficient gravel is available.

Hazardous debris may include but not necessarily be limited to: radioactive materials, batteries, wastes containing toxic chemicals at potentially harmful levels, and ash produced by the combustion of waste material - such materials should be shipped south for disposal. Asbestos can be suitably wrapped and buried in an on-site engineered landfill.

POL tank sludge, waste oil, petroleum products, antifreezing agents, solvents and barrels are treated as per the DLCU Barrel Protocol.

DLCU POST-CLEANUP LANDFILL MONITORING PLAN

I. General

Several different types of landfills will be created during the DEW Line Cleanup project:

1. landfills which will be closed by the addition of granular fill and regraded. In some cases existing landfills will be extended in order to accept additional non-hazardous debris;
2. four landfills which will be constructed in order to accommodate landfill/dump relocation requirements;
3. ten landfills will include a leachate containment feature during closure; and,

Each of these different landfill types present a different potential risk to the environment. Therefore, different degrees of monitoring will be required.

Monitoring can include: visual inspection, thermal monitoring and active layer water testing.

Visual inspection should suffice for landfills in the first two categories. All such landfills are located on terrain such that there is minimal risk to the environment should, for example, a barrel of waste oil rupture within the body of the closed landfill at some future date. New landfills will be engineered and only contain non-hazardous debris. Landfills currently known to be leaching will require the full monitoring program.

II. Frequency

Monitoring should be considered as a short term requirement that can be suspended or down-graded as acceptable performance is confirmed. The program should consist of visual and active layer water monitoring in the mid to late summer, preferably at a time when the active layer has reached maximum penetration.

Monitoring should initially be carried out once every year for the first 3 years. After this period, the results should be reviewed and a decision regarding future monitoring made on the basis of the visual observations (of landfill stability), the rate of freeze-back, and the presence or absence of contaminated leachate. If there is no

evidence of contaminated leachate after the initial three year monitoring period, two follow-up tests will be conducted; one at year six, and one at year 9. Should the test at year 9 confirm that no contaminated leachate is present, monitoring will be suspended unless there is evidence of changing thermal conditions at the landfill.

III. Visual Inspection

The physical integrity of the landfill should be inspected and reported using photographs (from the air as well as ground level) and hand drawn sketches. Documented observations should include:

- Signs of damage from settlement, ponding, frost action, erosion, and lateral movement.
- Sloughing of berms, thermal contraction cracks etc.

If problems of stability are encountered, then an experienced engineer with knowledge of northern conditions should be consulted and appropriate actions taken to stabilize the landfill.

Visual inspections of all landfills will be undertaken by representatives of DND and the ILA. Reporting to DND and the ILA will be done in a standardized format.

IV. Thermal Monitoring

Provisions for thermal monitoring - placement of thermistors, requirements for data loggers etc - have been incorporated into the DLCU specifications. For existing landfills, where there is potential for the escape of contaminated leachate, a thermistor will be placed at the toe of the landfill.

The thermal performance of the sites will be dependent on a number of site-specific factors. Thermal and physical data obtained from the inspection of the landfills with leachate containment will be reviewed by a geotechnical engineer mutually agreed to by DND and the ILA, who has expertise in geothermal modelling. The results of this review will be submitted to DND and the ILA.

V. Active Layer Water Testing

Active layer water monitoring is recommended for landfills requiring leachate containment. Active layer water monitoring is also recommended for landfills in close proximity to known harvest areas, Inuvialuit camps, communities and ecologically sensitive areas. The program should include the determination of background, or up

gradient, concentrations for specific parameters. Background (naturally occurring) values may be obtained from samples collected from areas that have not been directly influenced by activities at the DEW Line site but which are indications of the prevailing geochemistry. For landfills currently leaching, samples should be collected prior to construction in order to determine current, or baseline, concentrations of contaminants.

The approximate locations and installation requirements of monitoring wells are described in the 95% Submission Design Drawings.

Prior to obtaining any samples within the monitoring well, the following should be measured/observed:

- Water elevation.
- Depth of water.
- Presence of hydrocarbons and thickness of the layer.

Water samples should then be withdrawn and the color, odor and other physical characteristics noted. Using a portable pH/ORP meter the pH, conductivity and temperature of the sample should be measured in the field.

The water sample should be filtered and transported to the laboratory in appropriate containers. Analysis shall be carried out by an independent federally accredited laboratory mutually acceptable to DND and the ILA. Parameters to be analyzed for are as follows:

- Inorganic elements (arsenic, cadmium, chromium, cobalt, copper, lead, nickel and zinc).
- PCBs.
- If a hydrocarbon layer is present determine its nature and constituents. Parameters to be analyzed may include TPH, TEH, PAH.

If the landfill could affect the drinking water of a known Inuvialuit camp or community, the following additional tests will be undertaken.

- Inorganic elements (ICP scan for total metals plus arsenic, selenium and mercury)
- Extractable organic chlorides (EOX)

- Total petroleum hydrocarbons (IR)
- Major ions and hardness
- Total dissolved solids
- Dissolved organic carbon

If hydrocarbons are detected by IR, the nature and constituents of the organic component shall be determined. Parameters to be analysed shall include:

Total purgeable hydrocarbons
 Total extractable hydrocarbons
 PAH's by constituent
 Total Phenols
 Total Glycols

An appropriate quality assurance/quality control program should be implemented for the analyses.

VI. Criteria

The analytical results obtained from water testing should be interpreted in terms of the established background (naturally occurring) and baseline values. If the levels are found to exceed these, a further comparison should be made with the criteria listed below.

The tabulated criteria are based on the CCME Environmental Quality Criteria for Contaminated Sites, Remediation Criteria for Irrigation Water. Territorial and federal regulatory agencies have approved the adoption of these discharge criteria in the DND DEW Line Cleanup specifications. If, for some reason, additional substances are found for which there are no irrigation water criterion, CCME Remediation Criteria for Drinking Water shall be used.

| Substance* | Concentration(ug/L or ppb) |
|------------|----------------------------|
| Arsenic | 100 |
| Cadmium | 10 |
| Chromium | 100 |
| Cobalt | 50 |
| Copper | 200 |
| Lead | 200 |
| Nickel | 200 |
| Zinc | 1000 |
| PCBs | 5** |

- * These substances have been found to be the most common contaminants at DEW Line sites. ** information on the uptake of PCBs by Arctic vegetation indicates that this level is tolerable.

VII. Inspections & Review of Data

The monitoring will be undertaken by a third party, mutually acceptable to DND and the IRC. DND and the IRC will agree upon actions taken in response to the results of the monitoring program. Such activities to the extent possible, will be in accordance with the protocol.

VIII. Communication of Program Results

The results of the monitoring programs shall be released and discussed on a regular basis by representatives of DND and the ILA with appropriate federal, territorial and Inuvialuit agencies and organizations. The timing and content of such communications to these agencies and organizations will be as agreed between the IRC and DND.

SCHEDULE 2: WORK START-UP AND COMPLETION DATES

| <u>DEW SITE</u> | <u>START-UP</u> | <u>COMPLETION</u> |
|----------------------|-----------------|-------------------|
| BAR 3 TUKTOYAKTUK | APRIL 1996 | APRIL 1998 |
| PIN M CAPE PARRY | APRIL 1997 | APRIL 1999 |
| BAR 4 NICHOLSON PEN. | APRIL 1998 | APRIL 2000 |
| BAR 1 KOMAKUK BEACH | APRIL 1999 | APRIL 2001 |
| BAR 2 SHINGLE POINT | APRIL 2000 | APRIL 2002 |
| PIN 1 CLINTON POINT | APRIL 2001 | APRIL 2003 |

SCHEDULE 3: SUPPLY OF GRAVEL BY THE INUVIALUIT DEVELOPMENT CORPORATION

Gravel will be supplied for the Nicholson Pen. DEW Site by Inuvialuit Projects Inc. (IPI), a 100% owned subsidiary of the Inuvialuit Development Corporation (IDC) in accordance with the following terms:

- 1.0 IPI to supply gravel in a stockpile adjacent to the existing Nicholson DEW line site air strip.
- 2.0 Gravel will be transported to the site during the winter by ice road from a location along the shoreline of Wood Bay approximately 12 to 15 miles from the existing DEW Line site.
- 3.0 Gravel supplied will be of similar quality to the gravel previously supplied to the site for Bot Construction during the construction of the SRR Site in the winter of 1990.
- 4.0 IPI will be responsible for the supply of all equipment and personnel necessary to do the work.
- 5.0 IPI will supply all necessary transportation of personnel and mobilization of equipment to the site.
- 6.0 IPI will be responsible for any accommodation requirements for its personnel.
- 7.0 IPI will construct and maintain any ice roads necessary to complete the work.
- 8.0 IPI will obtain any ILA permits necessary to complete the work. Costs for such permits and royalties are included in the quoted unit prices.
- 9.0 Measurement of gravel quantities for payment will be by 'truck box' measurement. Gravel ticket receipts will be signed by DEW Line Cleanup contractor representative and IPI representative for each load hauled to the site.

10.0 The Price Per Cubic Metre of Gravel is as follows:

- a) 5,000 - 10,000 cu. metres = \$57.00/cu.m.
- b) 10,000 - 15,000 cu. metres = \$52.00/cu.m.
- c) over 15,000 cu. metres = \$42.00/cu.m.

The price per cubic metre includes the following allowances:

- a) ILA permit fees of \$20,000
- b) ILA royalties of \$3.25/cu metre
- c) Mobilization cost of \$100,000
- d) Ice Road from Quarry to site of \$35,000
- e) Demobilization cost of \$70,000.

11.0 The above pricing is subject to the following conditions:

- a) A minimum of 5,000 cubic metres ordered.
- b) The work proceeding during the winter of 1995-96 or 1996-97.

12.0 Terms of payment are full payment without holdbacks net 30 days upon receipt of invoice.

SCHEDULE 4: NTCL BACKHAUL RATES

The following rates will apply for the transportation of Tier II soils to Hay River from the listed DEW Line Site in the ISR:

| <u>DEW SITE</u> | <u>YEAR</u> | <u>RATE</u> |
|---------------------------|--------------------|--------------------|
| 1. Nicholson Pen. (Bar 4) | 1996/97 | \$189.80/short ton |
| 2. Cape Parry (PIN-M) | 1997/98 | \$189.80/short ton |
| 3. Shingle Pt. (Bar 2) | 1998/99 | \$189.80/short ton |

SCHEDULE 5: ANNEX R LANDS

1003-INVIALUIT-5 (DN)

October 1995

Mr. Robert Kuptana
Chairman
Inuvialuit Regional Corporation
P.O. Box 2120
107 MacKenzie Road
Inuvik, Northwest Territories
X0E 0T0

Dear Mr. Kuptana,

DND and the Inuvialuit have had many discussions concerning the status of the Annex R lands. Below, for your review and concurrence is a proposal from DND. If you concur with the proposal, I ask that you sign the release attached to this letter. I also propose that a copy of this letter, including the release be attached to the DEW Line Clean-up Cooperation Agreement as Schedule 5.

DND is prepared to agree, without prejudice to the Government of Canada's legal position, to the following:

- (i) DND will pay the outstanding gravel invoice and pay the royalties on gravel for the work planned this summer at NWS sites located on Annex R lands. Any subsequent gravel requirements will be obtained in accordance with ILA Rules and Procedures.
- (ii) DND will arrange for the removal of the Annex R status on lands no longer required for the operation of the NWS sites by January 1, 1997.

On the condition that:

- (i) site specific clean-up protocols acceptable to DND for the DEW Line sites in the ISR will be developed and attached to the Cooperation Agreement prior to signature of the Agreement by the IRC and DND;

- (ii) the IRC will cooperate with DND in any subsequent approval process for the clean-up project as required under the IFA;
- (iii) the Inuvialuit recognize the validity of the Annex R reservations at Cape Parry and Nicholson Peninsula, and that normal operation and maintenance of the NWS sites on these lands will continue without the necessity of obtaining ILA permits or other approvals from the Inuvialuit; and
- (iv) the Inuvialuit will not invoice Canada for royalties on past gravel use on Annex R lands with the exception of the outstanding invoice referred to above.

Yours sincerely,

Fred McGuire
Director Negotiations

Encl: 1

RELEASE

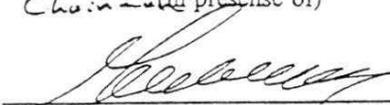
The Inuvialuit, as represented by the Inuvialuit Regional Corporation and the Inuvialuit Land Administration, on behalf of themselves and their heirs, executors administrators, successors and assigns (hereinafter collectively called "the Inuvialuit people"), do hereby waive, remise and forever release HER MAJESTY THE QUEEN IN RIGHT OF CANADA, Her officers, servants, members of Her Armed Forces, Her and their heirs, executors, administrators, successors and assigns (hereinafter called "Her Majesty") from all manner of claims, actions or demands of any kind of nature that the Inuvialuit ever had, now have, or may hereafter have, regarding the payment or non-payment of any manner of fees, levies, taxes, investments, royalties or other similar charges related to the quarrying or use of gravel for any purpose whatsoever within the Inuvialuit Settlement Region that occurred at any time prior to 1 August 1995.

This Release shall be effective only when Her Majesty shall have paid to the Inuvialuit Land Administration the sum of \$32,874.70 and ____ invoiced by the Inuvialuit land Administration for quarrying at Cape Parry during August 1995.

The Inuvialuit acknowledge that Her Majesty does not admit any liability to the Inuvialuit by the acceptance of this release or the payment of the said sum of money.

IN WITNESS WHEREOF the corporate seals of the Inuvialuit Regional Corporation have been affixed under the hands of its authorized officers,
this day of A.D. 1995.

SIGNED, SEALED AND DELIVERED)
on behalf of the Inuvialuit Regional)
Corporation by)
)

Chairman (in presense of))
)

(Witness)

(Name of Witness)
GERALD B. ROY
Barrister & Solicitor

Northwest Territories

(Address of Witness)