



**Department of  
Public Works  
and Services**



**Business  
Plan**

*2003-2004*

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## INTRODUCTION

The Department of Public Works and Services (PW&S) provides expert guidance to government departments to ensure that sustainable decisions are made during the planning, procurement, delivery and operation of infrastructure projects.

### Our Mission

*To contribute to Nunavut's economic growth and social well being by ensuring effective planning, procurement, delivery and operation of government assets.*

### Our Vision

We will use the following vision to guide us in our planning, our policy development and in conducting our day to day business:

*All Nunavummiut live in a strong, healthy and self-reliant environment where, as a result of the Department's expert guidance in design, contracting, procurement, construction and asset management, all are able to access proper community facilities – such as recreational and health centres, hospitals and schools – resulting in a strong, healthy and self-reliant community.*

### Our Principles and Values

- Contributing to capacity building within the communities by supporting community empowerment initiatives.
- Simplifying and improving the Department's unification by the further incorporation of Inuit Qaujimagatuqangit, culture and the Inuktitut language in our programs and services both within the workplace and in our dealings with others.
- Committing to the GN's Decentralization Initiative by ensuring that departments have the facilities, equipment and communication systems needed to support decentralized operations.
- Increasing Nunavut's self reliance by supporting the business incentive policy, Nunavummi Nangminiaqtunik Ikajuuti, and continue monitoring and reporting on it's effectiveness in contributing to the economic development and prosperity of Nunavut.
- Identifying opportunities for on-the-job training and mentoring of existing staff to improve in-house technical expertise, as well as career development opportunities for our youth and to increase Inuit employment levels.
- Conducting our contracting and procurement functions with transparency and increased accountability to the residents of Nunavut.

## **ENVIRONMENTAL SCAN**

There are a number of political, economic and physical factors that define the environment in which PW&S operates.

### **A New and Evolving Government**

The creation of Nunavut brought with it high expectations and challenging timelines for government departments. While considerable progress has been made, the limitations of a new and developing government present a number of challenges, including:

- limited staff resources and knowledge of past practices, as well as the unavailability of local training in most fields required to set-up the new government;
- the need to assess requirements for the planning of new infrastructure;
- the need to develop new regulations, policies, procedures and guidelines; and
- the need to develop and implement critical information systems.

### **Geographic Distance and Isolation**

Nunavut's geographic distance from larger centers as well as between communities within the territory results in higher utility, travel and shipping costs, as well as timing delays in transportation, both via air and water.

### **Global Markets**

As in other parts of Canada and countries throughout the world, fuel prices in Nunavut are dependent on the price of crude oil on world markets. Due to the high world price of crude oil in recent years, measured in US dollars, as well as the unpredictability of the U.S.-Canada exchange rate, the cost to PW&S for the purchase and transportation of fuel for distribution in Nunavut increased dramatically in prior years. However, recent contracts for the purchase and delivery of fuel have improved the general outlook considerably.

### **A Short Construction Season**

Nunavut's short construction season, with its timelines tied to the sealift season, results in a limited window of opportunity for the approval of projects, the tendering of contracts and the shipment of materials each year. A number of communities receive only one sealift delivery each year, usually very late in the summer. Examples being:

| <b>Community</b> | <b>Delivery in Community, 2002</b> |
|------------------|------------------------------------|
| Qikiqtarjuaq     | September 3                        |
| Clyde River      | August 31                          |
| Grise Fiord      | August 28                          |
| Pond Inlet       | August 18                          |

### **Pressures on Existing Infrastructure**

A limited amount of regular upgrades to existing infrastructure within Nunavut during the later GNWT years and an aging infrastructure has resulted in an increasing demand for such work. In addition, the growing population of Nunavut is placing pressures on existing infrastructure. For example, Nunavut's high birth rate, the highest in Canada, will continue to put pressure on school facilities to accommodate the increasing number of students.

### **Staffing**

Within the local labour force, the availability of many required skill-sets is limited. Additional factors such as a highly competitive job market, both in the south and locally has made it difficult to fill architectural, engineering, information technology and trades positions. The above-mentioned increase in the Nunavut infrastructure has also increased the Department's workload, thereby compounding the staffing shortage.

### **Transfer of Knowledge**

It is estimated that 70% of executives in the public services in Canada will be eligible for retirement by 2010. When they go they will take with them a body of tacit and implicit knowledge that is irreplaceable. PW&S is no exception. This, together with the pending pressures of the Inuit Employment Plan emphasizes the need to transfer corporate knowledge to the future Nunavumiut Public Works and Services management.

### **Translation of Technical Documents**

The technical nature of our business means that the written materials that we use and produce are often prepared using technical terminology that cannot be directly translated into Inuit or Inuinnaqtun. A long-term goal is to review ways to prepare these materials using descriptive language to make them easier to translate into Inuktitut/Inuinnaqtun

### **Training Technical Staff**

Recognizing that the availability of trained professional staff is extremely limited, PW&S has identified a number of learning institutes, both in Nunavut and in the South, that are able and willing to participate in a number of training programs and initiatives. Of particular interest is the Co-operative Program that involves formal training/education coupled with on the job experience, as well as the accreditation of staff through various associations such as the Purchasing Managers Association of Canada (PMAC), Building Owner's and Manager's Association (BOMA) and the Canadian Institute of Chartered Accountants (CICA) etc.

### **Functional Accountability**

With the ongoing development of the GN, there is a need to define responsibilities for functions that are similar or overlapping. In cooperation with other departments, PW&S is working to formalize accountability, where clarification is required, so that objectives set by the Department can be consistent with its roles and responsibilities.

### **Budgetary Constraints and Timelines**

The timing of the contracting process directly impacts the ability of PW&S to initiate and deliver completed projects in accordance with client needs and expectations. It is extremely important to have client departments take into account the advance notice of project and equipment requirements to ensure that goods can be purchased in time for the sealift, thereby eliminating the need to ship construction components at far greater expense by air.

### **Acquisition of Goods and Services**

The centralization of the procurement function from departments, boards and regions to PW&S has made it challenging to deliver these services with current resources. In addition, the limited number of contractors that bid on GN contracts restricts the viability of tender and request for proposal (RFP) processes.

### **Recruiting, Retaining and Training Staff**

PW&S is taking steps to fill its remaining vacant positions. However, the Department has experienced difficulty in recruiting and retaining qualified staff, particularly in technical fields where competitive job markets offer attractive salaries, benefits and professional development opportunities. This has resulted in the need for existing staff to take on increasing workloads with challenging timelines. Therefore, PW&S is trying to identify innovative ways to recruit and retain quality staff, including involvement in the career development of Nunavut's young population to highlight opportunities for future employment within the Department. To heighten young Nunavumiuts' awareness of PW&S, the Department has developed an in depth presentation that will be presented to Nunavut community high schools whenever a PW&S employee is in that Nunavut community as a result of related work.

### **Critical Issues**

- Ensure a smooth transition of the Petroleum Products Division during the creation of the new Nunavut Energy Corporation as outlined in the Ikuma 2 Report.
- Implement a new eastern arctic sealift dry cargo resupply contract that will include many of the Kivalliq communities for the first time.
- Manage the transition of the GN computer network operating system from Windows NT to Windows 2000/XP.

## CORE BUSINESS

The programs of the Department of Public Works and Services are described, below, within eight lines of business:

- Advisory and Administration
- Business Services
- Supply Services
- Project Delivery Services
- Facility Management Services
- Informatics Services
- Decentralization
- Petroleum Products

### Advisory and Administrative Services

Advisory and Administration Services provides executive support to the office of the Minister through the key areas of administrative departmental direction, Policy and Planning and Human Resources. To manage and coordinate central services to all government departments through direction and coordination of departmental and governmental initiatives, as well as continuous building of our successes by providing quality services to our customers.

#### Objectives

- To maximize services provided to our clients with the resources available.
- To ensure departmental objectives are in line with Government initiatives
- Raise level of access and understanding of Nunavut businesses to public sector opportunities
- Implementation of the Inuit Employment Plan
- Maintain and enhance our professional capacity through employee development and recruitment

| <b>Programs</b>  | <b>Main Estimates (\$000)</b> | <b>2002-03</b> | <b>2003-04</b> |
|--|-------------------------------|----------------|----------------|
| <b>Offices of Deputy Minister,<br/>ADMs and Regional Directors</b> |                               | 1,704          | 1,895          |

Provides senior management support to the Minister's Office through the communication, direction and delivery of governmental and departmental initiatives and directives as they pertain to the Department. Provides support to the Minister's Office through communication of the status and developments of Public Works and Services activities.

**Policy** 537 514

The policy and planning section of Public Works and Services is responsible for developing policy, guidelines and legislation, the evaluation and assessment of programs and policies. Provides communications planning and consultation for Senior Management including media relations, issues management, executive relations and client satisfaction.

**Human Resources** 203 180

Provides support to the Deputy Minister and Senior Management through Human Resource planning, policies, programs, strategies and statistics. Administers departmental and governmental human resource initiatives and directives, including the Inuit Employment Plan.

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**Total, Advisory and Administrative Services** 2,444 2,589

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**Accomplishments (2001 & 2002)**

- Completed the Phase 2 of the Government sponsored Decentralization initiative and began Phase 3. Public Works is responsible for the relocation of office equipment for the departments that are designated to be reassigned to decentralized communities.
- Entered into the first working relationship with a community under the new Public Works initiative of providing maintenance to government buildings through accountable service agreements with communities.
- Initiated the Staff Housing Condo Projects with the goal of providing affordable housing to the staff of the Government of Nunavut. Giving the employees the opportunity to become proud home owners and lessen the staff housing shortage.
- Initiated the staff housing transfer to the Housing Corporation. This would allow more flexibility in financing additional staff housing units through a Corporate setting.
- Initiated contract submission for community fuel deliveries for Petroleum Products Division. Fuel delivery contracts were expiring and signed by the prior administration (GNWT), which were not put into the Nunavut context.

**Priorities (2003-04)**

- Enhance Planning and Management of Government-owned and operated facilities through the preparation of an inventory database and the corresponding costs associated with the demised premises.
- Provide Quality Building Infrastructure through new and exciting technologies now becoming available in the industry in the northern context.
- Improve services to clients through educational programs and workshops to allows for the combined abilities and understanding of each department's needs and requirements in the capital planning process.



- Expand efforts to attract and retain staff through the interview process, ensuring the understanding of the complex and challenging opportunities of the Canada's newest territory.
- Contribute to cross-ministry and government initiatives including the Nanisivik Mine closure, revenue strategy and the recommendations of the Ikuma 2 report.
- Increase efforts to attract and retain staff

## Business Services

In support of governmental and departmental delivery activities, Business Services provides financial, fiscal, records management and realty services. Coordinates the financial document process, budget and business process, manages official records storage/retrieval and provides the administration of realty contractual services.

### Objectives

- Effective management of the Department's operational and capital funds, as well as the effective management of client department's capital funds through agency functions.
- Effective maintenance of Public Works accounts, client departments and revolving funds in support of Public Accounts and Financial Management.
- To develop and implement the Government wide Records Management System to meet regulatory, legislative, managerial and administrative requirements.
- Effective and efficient accommodation related services that deliver, safe, healthy, productive and environmentally sound workplaces for the employees of the Government of Nunavut.

| Programs  | Main Estimates (\$000) | 2002-03 | 2003-04 |
|---|------------------------|---------|---------|
| <b>Financial Management</b>   |                        | 2,179   | 2,443   |
| Plans, monitors, prepares and analyzes the Department's budgets. Develops, implements and administers departmental budgeting and payment procedures. Manages the operations and supports the provision of funds to activities including the payments for Government major capital projects. Administers the receipt, transfer, holding, disbursement, reconciliation and monitoring of the Department's appropriated money. |                        |         |         |
| <b>Records Management</b>   |                        | 472     | 391     |
| Develops policies, procedures and guidelines on records management issues. Coordinates the implementation of records management standards throughout the Government of Nunavut. Oversees, maintains and implements Administrative Records Classification System (ARCS) and Operational Records Classification systems (ORCS). Manages three record centers across Nunavut in Iqaluit, Rankin Inlet and Cambridge Bay.       |                        |         |         |

|   |               |               |
|---|---------------|---------------|
| <b>Realty Services</b>  | 10,151        | 10,857        |
| Provides negotiation, documenting, administration and payment of office accommodation lease agreements. Prepares and maintains a database of office space in Nunavut and allocates or obtains office space to meet the needs of the departments program delivery requirements. Administers acquisition and disposal of real property assets of the Government of Nunavut. |               |               |
| <b>Total, Business Services</b>   | <b>12,802</b> | <b>13,691</b> |

#### **Accomplishments (2001 & 2002)**

- The activation of the Capital Asset Management System to obtain information regarding the details of capital assets and gives the Government of Nunavut the ability to track new assets coming on stream through the issuance of a specific identification number.
- Formulated and implemented the expansion of the Headquarters Finance Section to include a financial processing unit that processed more than 30,000 financial documents.
- Centralized all office accommodation leases at the Headquarters level to increase knowledge, productivity and client service. This action will enable Public Works to compile a complete database of available office space in each community to better meet our client needs.
- Initiated the Records Information System (RIMS) to account for the government records that are stored throughout the territory and provided an extensive training to departmental representatives.

#### **Priorities (2003-04)**

- Effective management of the capital, operations, and maintenance budgets and revolving funds through the enhanced delivery of provided services with the emphasis on controls allowing for the increased accountability of stakeholders tax dollars.
- Effective and efficient accommodation and related services that deliver safe, healthy, productive and environmentally sound workplaces for the employees of the Government of Nunavut through the increased emphasis on reliable and accurate data of client department's needs.
- To provide a more skilled, knowledgeable, productive and motivated workforce through an aggressive education and upgrading initiative to better serve our clients and customers.
- To contribute and participate on interdepartmental committees, such as the Financial Administration Manual committee.
- Initiate and provide for the recording and accounting of documents through a document information system to provide more effective and efficient services to our stakeholders, clients and customers.

## Supply Services

To supply the Government of Nunavut with expertise in procurement and related, common services. Acquires goods and services in a de-centralized environment for the Government, manages the supply process by assisting clients with requirements definition, bid solicitation and evaluation, contract expertise and administration.

### Objectives

- Cost effective delivery of procurement and related services
- Increased transparency and access for suppliers wishing to do business with the government
- Effective delivery of specialized services including traffic management

| <b>Programs</b>   | <b>Main Estimates (\$000)</b> | <b>2002-03</b> | <b>2003-04</b> |
|---|-------------------------------|----------------|----------------|
| <b>Procurement</b>  |                               | 258            | 236            |
| Provides centralized purchasing services for all government departments' supply and service requirements. Manages the procurement of a wide range of goods and provides expertise in contracting and financial procedures of this operation.  |                               |                |                |
| <b>Contracts</b>  |                               | 555            | 506            |
| Provides expertise in the preparation of major and lesser value contractual obligations for a variety of activities including, construction, freight, consulting services, etc. for all government departments. Also administers the NNI Policy and meets reporting requirements for all GN departments.      |                               |                |                |
| <b>Traffic Management</b>   |                               | 754            | 761            |
| Coordinates freight traffic through the annual sea-lift re-supply for the entire government and tenders and contracts all aircraft charters over \$5,000 and advises all departments regarding procedures and financial requirements. Coordinates limited warehousing services in support of freight traffic. |                               |                |                |
| <b>Total, Supply Services</b>   |                               | <b>1,567</b>   | <b>1,503</b>   |

### Accomplishments (2001 & 2002)

- Implemented the Nunavut Air Charter Policy by developing Air Charter Requisition forms and procedures
- Finalized negotiations with for the first Nunavut Eastern Arctic Sealift contract, and entered into five-year MOU with Coast Guard for Kugaaruk resupply

- Established procedures for GN departments and regions to report procurement information, and developed a database for procurement information management
- Produced the first annual GN Contract Data Report for fiscal year 2001-2002, a statistical analysis of all GN contracting activity and Inuit labour on construction projects
- Conducted an in-depth review of the NNI policy in collaboration with NTI that resulted in a number of recommendations for improvements to the Policy, a joint NNI Report
- Developed a notification system for current “business opportunities” including GN website, faxing to communities, and to Inuit organizations

#### **Priorities (2003-04)**

- Standard contract forms review and translation into Inuktitut
- GN Contract Procedures Manual Review and translation into Inuktitut
- Develop and deliver bidding and contracting workshops in communities for GN employees and businesses
- Complete work on contract database to enable access from PW&S regional offices and user-friendly forms for departments
- Transfer ‘Nunavut Business Registry’ database from Kirk Computers to GN
- Recruit an ‘Intern’ for a Contracts Advisor position

### **Project Delivery Services**

Ensure efficient planning, design, construction, rehabilitation, operation and maintenance of government owned and leased infrastructure to meet the overall government needs. Supplies a wide range of professional and technical support to client departments through the Capital Planning Process.

#### **Objectives**

- To ensure adequately designed and construct facilities to meet the harsh and demanding conditions of the north
- To provide effective planning and project implementation to support government programs
- Implement effective common key performance measures for owned infrastructure to improve planning and priority setting.
- Develop measurement tools for analysis and tracking of maintenance projects in owned and supported facilities.

| <b>Programs</b> | <b>Main Estimates (\$000)</b> | <b>2002-03</b> | <b>2003-04</b> |
|-----------------|-------------------------------|----------------|----------------|
|-----------------|-------------------------------|----------------|----------------|

**Technical Services** 1,562 1,431

Provides capital planning to the client departments through the preparation of Technical Status Evaluations of existing facilities and makes recommendations in support of upgrading existing facilities or new construction. Also provides evaluation of the designs by ensuring plan and specifications are within National standards and guidelines.

**Project Support Services** 983 779

Supports the Capital Planning Process through the preparation of a project brief that is the foundation for supporting the Clients Program Delivery Needs. The project brief describes cost estimates, scheduling, site selection and life cycle costs. Project Support also provides continuing support to the Regional Project Staff through the construction phase until completion.

**Project Management** 2,864 2,803

Provides the regional delivery of the projects, manages the process, budget schedule, scope, quality and risk of project implementation. Administers the contracts with Architects and Engineering consultants and construction contractors. Authorizes expenditures, changes and reports the physical and financial status to the client and community.

**Property Services** 122 166

Provides professional and management services required to plan, develop and implement government accommodation and program delivery facility plans through tenant improvement projects and allocation of space.

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**Total, Project Delivery Services** 5,531 5,179

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**Accomplishments (2001 & 2002)**

- Continued effective development and delivery of quality services to satisfy the needs of our clients and provide value for government, business, communities and residents.
- Participated with the interdepartmental Facilities Risk Management Committee in developing *Risk Management Guidelines and Procedures on Prevention* to reduce risk and decrease insurance for GN assets.
- Updated the *Vehicle Management Guidelines* and policies to provide senior GN management with the necessary tools to manage and maintain their respective departmental vehicle inventory.
- Finalized and coordinated the implementation of the Asbestos Management Plan. On-site training on asbestos management was also provided to regional management.

- Planned and coordinated an Asset Management Workshop to train in the use of CAMS database system and coding as a tracking tool for GN assets.

#### **Priorities (2003-04)**

- Provide on-going technical expertise, interpretation of *Technical Standards and Guidelines* and support to all our clients, staff and communities.
- Increase the GN-wide technical standards for infrastructure and managing the GN's inventory of owned/leased office facilities and space allocations.
- Expand inspections of existing facilities to ensure compliance with building/mechanical and electrical code standards.
- Develop databases for: *Building Project Data* and *Consultant Performance Evaluation Reports*. The data contained in these databases will be obtained from our three regions, which will provide an effective source of reference for management, particularly in Capital Planning initiatives.
- Complete updating the GN inventory of assets database. In addition, finalize the regional consistency in Material and Maintenance Operational System, which will link to the GN Asset Inventory and will be used in all three regions to control maintenance of GN assets.
- Participate on the Facilities Risk Management Committee in the on-going efforts to reduce risk and decrease insurance for GN assets.

### **Facility Management Services**

For government owned facilities we are responsible for providing comprehensive operational and maintenance support. For GN leased facilities, we will undertake all make all necessary commercial arrangement to ensure delivery of the required space complete with the appropriate level of associated services. To ensure a safe and healthy work environment for Government of Nunavut employees and the general public.

#### **Objectives**

- Effectively manage the Government of Nunavut's infrastructure.
- Improve and enhance maintenance of the infrastructure in response to identified need and objectives of our cliental.
- Deliver high quality maintenance services by updating standards and establish levels of service based on usage levels
- Protect the integrity of the infrastructure by ensuring proper standards are adhered to with preventative and demand maintenance
- Ensure regulatory safety inspections are conducted and deficiencies are corrected

| <b>Programs</b>  | <b>Main Estimates (\$000)</b> | <b>2002-03</b> | <b>2003-04</b> |
|--|-------------------------------|----------------|----------------|
| <b>Building Maintenance</b>  |                               | 11,838         | 11,836         |
| Operates and maintains government leased and owned facilities on behalf of client departments for their program delivery operations, through general maintenance, emergency maintenance and minor works projects.  |                               |                |                |
| <b>Utilities Management</b>  |                               | 6,304          | 6,304          |
| Acts as administrator for the management, administration and payment of all utilities charges and to review, report and react to any irregularities concerning utility consumption. To provide utility services to meet the needs of our clients and to promote conservation of non-renewable resources.                       |                               |                |                |
| <b>Inspection Services</b>   |                               | 999            | 1,013          |
| Provides the private and public sectors with electrical, elevator and boiler services, including plan reviews, on site inspections, electrical and boiler code consultations and the enforcement of the relevant regulations and laws of the Act of new and upgrading of existing facilities throughout the Nunavut Territory. |                               |                |                |
| <b>Total, Facility Management Services</b>   |                               | <b>19,141</b>  | <b>19,153</b>  |

**Accomplishments (2001 & 2002)**

- Developed the Technical Standards and Safety Act for review by Cabinet that meets Nunavut and National code requirements. This act replaces the Electrical Protection Act, the Boiler Protection Act and the Gas Protection Act.
- Developed and implemented the Boiler and Electrical Data Bases in all regional operations. This database allows for the detailed recording of inspections and provides historical information of new structures and upgrades. Inspections have increased by 15%.
- Community transfer agreement signed with Kugluktuk, which transfers the responsibility of the maintenance of Government of Nunavut buildings to the community. This is one of many communities under the initiative of giving the communities empowerment over assets within their own jurisdictional boundaries.
- Conducted building audits in communities with transfer agreements including Cape Dorset, Pangnirtung and Pond Inlet. Meet with community officials to explain our expectations and to build a better working relationships with the communities.

**Priorities (2003-04)**

- Ensure effective use of infrastructure through the development and implementation of a comprehensive Maintenance Management Operating

System that will be made available to maintenance personnel in the Government of Nunavut and others that deal with the maintenance and upkeep of Government of Nunavut assets. This tracking system will supply essential data and statistical information in pursuit of a safe and healthy work environment for Government of Nunavut employees.

- Transfer the regional administration of Grise Fiord and Resolute Bay, from Baffin Operations to the Kitikmeot Operations, to better serve these Nunavut communities.
- Enter into negotiations to transfer the responsibility of the Rankin Inlet utilidor to the municipality, to provide increased service to the people of the community. This will be in done in two phases, the first being the transfer of the billing and collections responsibilities and the second phase will be the entire maintenance and ownership of the system.
- Initiate a centralized shipping/receiving function in the Baffin Region.

## Informatics Services

Develops, delivers and supports the information technology (IT) infrastructure that enables the Government of Nunavut to deliver its programs over an efficient and shared voice and data processing network. Acts as the shared procurement, delivery and operations center for all information systems, including external government initiatives that involve using informatics technology in support of the electronic service delivery in Nunavut.

### Objectives

- To provide accurate and secure data collection, storage, processing and retrieval systems using computers, networks and telecommunications services developed for and provided to all Government of Nunavut departments and agencies that require efficient and effective delivery of information to support their programs.
- To manage Nunavut's informatics and telecommunications infrastructure in a manner to ensure accuracy, reliability, privacy, and security of information for the citizens of Nunavut.
- To develop and retain and support a competent, productive, motivated, and representative workforce to meet current and future informatics needs.

| Programs   | Main Estimates (\$000) | 2002-03 | 2003-04 |
|--|------------------------|---------|---------|
| <b>Voice Systems (Telephone)</b>   |                        | 4,050   | 4,077   |
| Provides the entire Government of Nunavut with voice communication services including installation, maintenance, support and administration of telephone and facsimile transmission services |                        |         |         |



**Information Systems (IT-IS)** 12,185 14,747

Provides all Government of Nunavut departments with a shared source of development, procurement, operations and support for the computer hardware and software application systems needed to collect, process and retrieve information as authorized by the Government's citizen-centered services and programs. Accomplishes this through a network of satellite communications, computer servers, applications software and user workstations, coordinated through a shared Helpdesk support system.

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**Total, Informatics Services** 16,235 18,824

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**Accomplishments (2001 & 2002)**

- Completed deployment and activation of basic telecommunications and computer services to Decentralized communities throughout Nunavut.
- The integration and upgrading of telecommunications and infrastructure of the former Boards of Education and Health in the three regional centers and seven decentralized communities.
- Devolved the Government's desk-side support and Helpdesk functions by 'regionalizing' workstation operations to better serve Nunavut's three distinct time zones.

**Priorities (2003-04)**

- To conduct a five year review of core telecommunications and server administration efficiency and to migrate the core infrastructure operating system from MS-Windows NT to the newer MS-Windows 2000/XP.
- To extend Nunavut telecommunications and computer services to all communities, including non-Decentralization communities, as part of the Nunavut External Bandwidth Initiative, in cooperation with various departments, agencies, partners and external suppliers of bandwidth.
- To extend upgrading and support of the telecommunications and computer services infrastructures of the former Boards of Education and Health Boards to all Nunavut communities, including non-decentralized communities.
- To begin a five year review and a program to improve computer applications for the delivery of key GN services, including Income Support, Health Insurance, Human Resources, Payroll and core financial management systems.

**Decentralization**

The Department of Public Works and Services, in consultation with the Decentralization Secretariat and the Department of Human Resources, is responsible for the infrastructure required to support the Government of Nunavut's decentralization initiative. This involves ensuring that requirements for office and furnishings, as well as information technology systems, are met. In addition, Public Works and Services are

coordinating the relocation of departments to decentralized communities, including the move and shipment of office furnishings and equipment.

### Objectives

- To provide the Decentralization Secretariat with the resources and expertise in meeting the Government of Nunavut's initiative of decentralization.
- Ensure the coordination of the furniture and equipment moves to the identified communities are met with a minimum of disruptions to the departments and their client base.

| Program                        | Main Estimates (\$000) | 2002-03      | 2003-04  |
|--------------------------------|------------------------|--------------|----------|
| <b>Total, Decentralization</b> |                        | <b>1,200</b> | <b>0</b> |

### Accomplishments (2001 & 2002)

- Completed Phase 2 of the initiative which decentralized the Department of Health and Social Services to Pangnirtung, the Department of Finance to Igloolik, the Department of Public Works and Services (Finance Section) to Pond Inlet and Nunavut Arctic College to Arviat.
- Initiated Phase 3, ahead of schedule, in preparation to decentralization of the Department of Sustainable Development to Igloolik and Pangnirtung, the Department of Education to Pond Inlet and the Housing Corporation to Cape Dorset.

## Petroleum Products

Petroleum Products Division acquires, transports, stores and distributes petroleum products to those communities in Nunavut that are not serviced by the private sector. The Division ensures that petroleum products are stored and distributed in an effective, efficient and environmentally responsible manner.

The Petroleum Products Division (PPD) was established in 1972 under the Government of the Northwest Territories to supply and deliver petroleum products to the communities of the Territories that did not have the capability of providing such a service within the community. The PPD manages the purchase, transportation, storage and resale of petroleum products for those communities not serviced by the private sector. The affairs of the division are administered in a business-like manner to ensure the affordability and reasonable availability of the products.

On April 1, 1999, with the division of the Northwest Territories and the creation of Nunavut Territory, the size and scope of PPD's operation changed. The total number of communities that PPD is now responsible decreased from 45 to 27. Two of the twenty-

seven communities, Cambridge Bay and Iqaluit have undertaken privatization initiatives and are supported to a certain degree by PPD.

The PPD has the responsibility for the supply and transportation of petroleum products in 27 communities in Nunavut where the private sector does not provide these services. The Financial Management Board (FMB) has the authority for establishing the retail price in these communities. Any changes in retail prices must be submitted to the FMB for approval.

### Revolving Fund

PPD operates under the Petroleum Products Revolving Fund (PPRF) Act, with an authorize limit of \$75 million. The program's operating costs are financed through the Revolving Fund that provides the resources to purchases and distribute the fuel consumed annually in the communities.

PPD is required by the PPRF Act to recover advances from the Revolving Fund through retail sales. There is also a Retail Stabilization Fund that is intended to protect consumers from yearly fluctuations in costs and minimize the need for regular adjustments to retail fuels prices. The Fund has a maximum limit of  $\pm$ \$5 million. Accumulated losses greater than \$5 million must be made up through a special appropriation each fiscal year.

### **Objectives**

- Cost effective supply and delivery of fuel products to the Nunavut communities in a safe, efficient and environmentally responsible manner
- Develop long term strategy and procedures for Hedging Fuel
- Implement remediation work in communities where required in conjunction with Capital Projects

### **Accomplishments (2001 & 2002)**

- Completed ten (10) year Community Fuel Delivery Contracts. Following the turnover of the Agreements, PPD will approximately \$1 million on commission payments annually.
- Trained and certified, in conjunction with the Churchill Marine Tank Farm and British Columbia Institute of Technology, Community Fuel Delivery Contractors for positions as Supervisors of Oil Transfer Operations (SOTO) prior to resupply. Utilizing these Fuel Delivery contractors, overtime expenses during resupply seasons will decrease over the next ten (10) years.
- Completed removal of the 2001 gasoline without any incident. Approximately 8 million litres of the 2001 gasoline was removed for resale by NTCL to a refinery in New Jersey.
- The signing of the new contracts for both supply and transportation has resulted in the improvement of quality control. To accomplish this task, PPD with the supply and transportation contractors, will cost-share a third-party Quality

Control Inspector during the transfer of fuel products from the refineries to the vessels as well transporting the products to the communities in Nunavut.

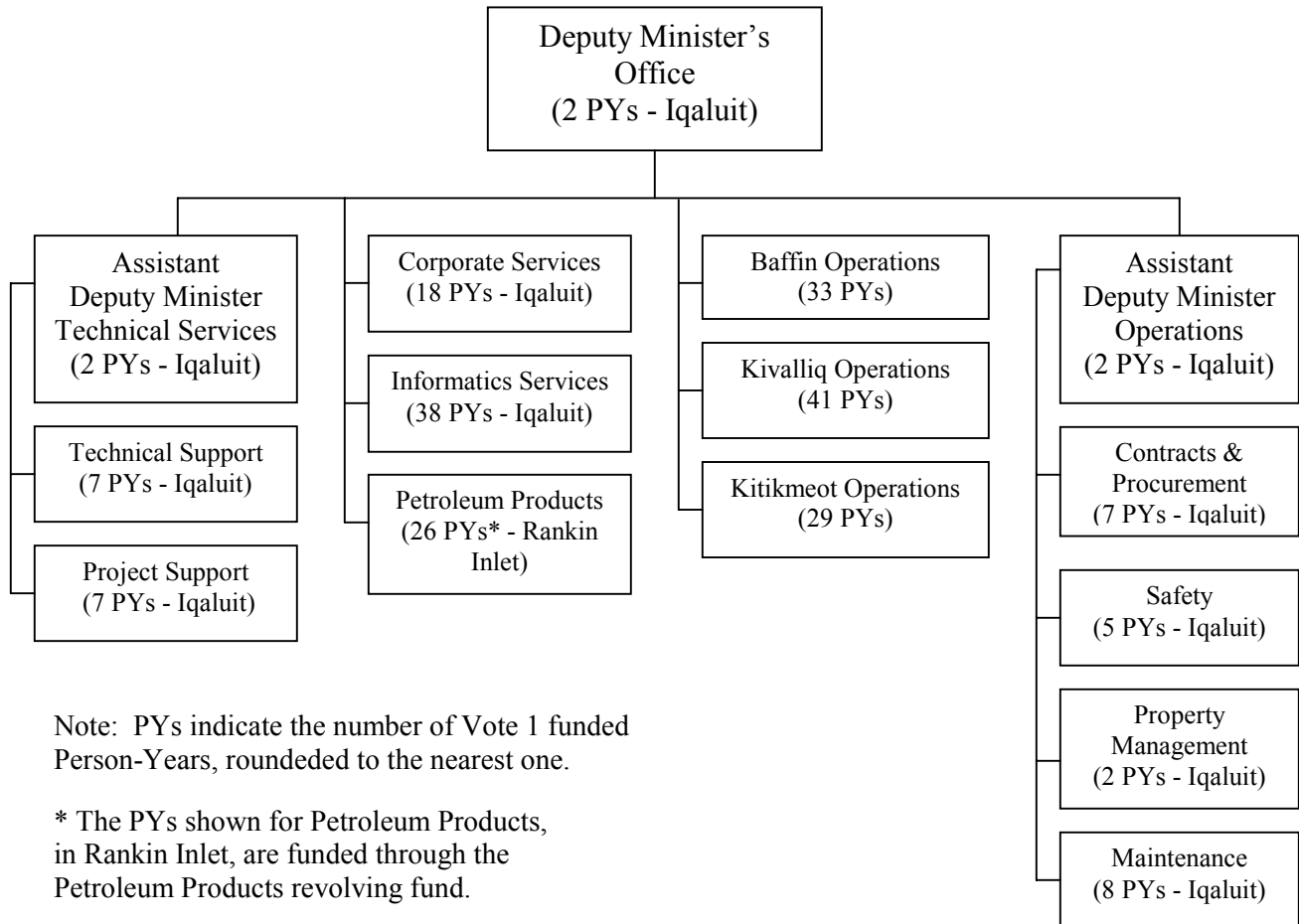
- Improvements to the fuel specifications have been achieved that exceeds the minimum established by the Canadian General Standards Board (CGSB). The GN will now purchase premium grade.
- Signed an agreement with Shell Canada for the supply of bulk refined petroleum products for the Baffin and the Kivalliq Regions for three (3) years with possibility one (1) or two (2) year extensions. The potential saving for the GN is over \$14 million over three (3) years based on 2002 resupply rates.
- Signed an agreement with Woodward's Oil Limited for the marine and transportation of bulk refined petroleum products for the Baffin and the Kivalliq Regions for three (3) years with possibility of one (1) or two (2) year extensions. PPD will save the GN over \$19 million for the three (3) years based on 2002 resupply rates for the Baffin and the Kivalliq Regions.

#### **Priorities (2003-04)**

- PPD took extraordinary efforts in obtaining the best quality and price of products by dividing the chain of product delivery into two RFPs, which resulted in different entities providing the service to Nunavut. This is a new and exciting way of doing business and will provide PPD with many challenges in their quest of meeting our goals.
- Work with other departments and agencies to meet the recommendations of the Ikuma II Report, devolving the PPD, which will associate with the Nunavut Power Corporation under the aegis of an independent Board.
- Ensure the effective and efficient delivery of fuel products to our customers with emphasis on quality of the product and the timeliness of delivery.
- Develop a tank farm cleaning maintenance program, which will help extend the economic life of the tank farm infrastructure.
- Develop a vehicle replacement program to maximize cost savings to the GN, when costs of repair/maintenance for older, existing vehicles are uneconomic.

## APPENDIX A – Organizational Structure and Budget

### Part 1 – Organizational Chart



Note: PYs indicate the number of Vote 1 funded Person-Years, rounded to the nearest one.

\* The PYs shown for Petroleum Products, in Rankin Inlet, are funded through the Petroleum Products revolving fund.

## **APPENDIX A**

### **Part 2 – Departmental Roles**

The Department of Public Works and Services has 228 positions located across Nunavut. Headquarters consists of five divisions: Technical Services, Operations, Informatics, and Corporate Services located in Iqaluit and the Petroleum Products Division located in Rankin Inlet.

The three Operations offices provide services to communities within their respective regions. The Baffin Operations are managed from the Pond Inlet PW&S office, the Kivalliq Operations from the Rankin Inlet office and the Kitikmeot Operations from the Cambridge Bay office.

The roles of each division are as follows:

#### **Technical Services Division**

- Provides planning and design management services for government projects carried out on behalf of client departments. Assists clients in identifying their long-term capital requirements and operational guidelines.
- Develops government-wide technical standards for infrastructure.

#### **Operations Division**

- Manages the GN's inventory of owned and leased facilities and the allocation of office space.
- Conducts inspections and reviews of existing and planned facilities to ensure compliance with mechanical/electrical codes and standards.
- Purchases goods and administers the Eastern Arctic Sealift on behalf of the GN.
- In consultation with clients, develops, implements and monitors contracting policy and procedures, including the Nunavummi Nangminiaqtunik Ikajuuti (Policy)
- Develops contracting guidelines and procedures and provides advice (government-wide) on contracting.

#### **Petroleum Products Division**

- Acquires, transports, stores and distributes petroleum products to those communities in Nunavut that are not serviced by the private sector. The Division ensures that petroleum products are stored and distributed in an effective, efficient and environmentally responsible manner.

#### **Informatics Division**

- Provides coordinated information technology services across all GN departments by developing, installing, managing and safeguarding each department's informatics networks, applications and data.

**Corporate Services Division**

- Responsible for advice, assistance, planning and implementation of human resources, finance and policy functions of the Department. In addition, it provides corporate (government-wide) leadership in records management policy and procedures development and implementation.

**Regional Operations**

- Provide departmental services (property management, project management, petroleum products, informatics, asset management) at the regional and community level.

## APPENDIX A

### Part 3 – Financial Summary

| Branch                    | 2002 - 2003<br>Main Estimates |            | 2003 - 2004<br>Main Estimates |            |
|---------------------------|-------------------------------|------------|-------------------------------|------------|
|                           | \$000                         | PYs        | \$000                         | PYs        |
| <b>Directorate</b>        |                               |            |                               |            |
| Salary                    | 3,570                         | 41         | 3,597                         | 41         |
| Other O&M                 | 4,897                         |            | 5,219                         |            |
| <b>Subtotal</b>           | <b>8,467</b>                  |            | <b>8,816</b>                  |            |
| <b>Technical Services</b> |                               |            |                               |            |
| Salary                    | 4,278                         | 46         | 4,264                         | 46         |
| Other O&M                 | 1,446                         |            | 1,044                         |            |
| <b>Subtotal</b>           | <b>5,724</b>                  |            | <b>5,308</b>                  |            |
| <b>Operations</b>         |                               |            |                               |            |
| Salary                    | 5,307                         | 64         | 5,131                         | 62         |
| Other O&M                 | 25,652                        |            | 26,499                        |            |
| <b>Subtotal</b>           | <b>30,959</b>                 |            | <b>31,630</b>                 |            |
| <b>Informatics</b>        |                               |            |                               |            |
| Salary                    | 4,050                         | 49         | 4,471                         | 52         |
| Other O&M                 | 8,520                         |            | 10,714                        |            |
| <b>Subtotal</b>           | <b>12,570</b>                 |            | <b>15,185</b>                 |            |
| <b>Decentralization</b>   |                               |            |                               |            |
| Salary                    | 0                             | 0          | 0                             | 0          |
| Other O&M                 | 1,200                         |            | 0                             |            |
| <b>Subtotal</b>           | <b>1,200</b>                  |            | <b>0</b>                      |            |
| <b>Total</b>              | <b>58,920</b>                 | <b>200</b> | <b>60,939</b>                 | <b>201</b> |



## APPENDIX B – Report On Decentralization

### Decentralization Initiatives in PW&S

During the recent decentralization initiative, 38 positions moved from Iqaluit to the Baffin Operations office in Pond Inlet. Presently, PW&S maintains a presence in 23 communities.

### Programs based in Decentralized Communities (other than Iqaluit)

PW&S' three regional offices are located in Pond Inlet, Rankin Inlet and Cambridge Bay. The following services are provided at these locations:

- Financial management
- Project management
- Building maintenance
- Inspection services
- Information technology systems
- Petroleum products

### Recently Decentralized Positions

|                   |           |
|-------------------|-----------|
| Community         | Positions |
| <b>Pond Inlet</b> | <b>38</b> |

### PW&S Positions by Employment Category

|                        | Total Positions | Total Vacancies | % Capacity | Beneficiaries |            |
|------------------------|-----------------|-----------------|------------|---------------|------------|
|                        |                 |                 |            | Hired         | % IEP      |
| Executive              | 3               | 0               | 100%       | 2             | 66%        |
| Senior Management      | 6               | 0               | 100%       | 2             | 33%        |
| Middle Management      | 22              | 4               | 82%        | 3             | 17%        |
| Professional           | 52              | 11              | 70%        | 4             | 11%        |
| Paraprofessional       | 103             | 28              | 73%        | 38            | 47%        |
| Administrative Support | 32              | 9               | 79%        | 16            | 62%        |
| <b>TOTALS</b>          | <b>218</b>      | <b>52</b>       | <b>76%</b> | <b>65</b>     | <b>39%</b> |

**Positions by Community**

|                    |                 |                 |            | Beneficiaries |            |
|--------------------|-----------------|-----------------|------------|---------------|------------|
|                    | Total Positions | Total Vacancies | % Capacity | Hired         | % IEP      |
| Arctic Bay         | 2               | 0               | 100%       | 2             | 100%       |
| Qikiqtarjuaq       | 1               | 0               | 100%       | 1             | 100%       |
| Cape Dorset        | 1               | 1               | 0%         | 0             | 0%         |
| Clyde River        | 1               | 0               | 100%       | 1             | 100%       |
| Hall Beach         | 1               | 0               | 100%       | 1             | 100%       |
| Igloolik           | 2               | 1               | 50%        | 1             | 100%       |
| Iqaluit            | 91              | 22              | 71%        | 14            | 21%        |
| Kimmirut           | 1               | 0               | 100%       | 1             | 100%       |
| Nanisivik          | 0               | 0               | 100%       | 0             | 100%       |
| Pangnirtung        | 1               | 0               | 100%       | 1             | 100%       |
| Pond Inlet         | 27              | 9               | 68%        | 7             | 39%        |
| Resolute Bay       | 2               | 1               | 50%        | 1             | 100%       |
| Sanikiluaq         | 1               | 1               | 0%         | 0             | 0%         |
| Arviat             | 3               | 0               | 100%       | 2             | 67%        |
| Baker Lake         | 1               | 0               | 100%       | 1             | 100%       |
| Chesterfield Inlet | 1               | 0               | 100%       | 1             | 100%       |
| Coral Harbour      | 1               | 0               | 100%       | 1             | 100%       |
| Rankin Inlet       | 34              | 9               | 87%        | 7             | 25%        |
| Whale Cove         | 1               | 0               | 100%       | 1             | 100%       |
| Cambridge Bay      | 25              | 5               | 76%        | 7             | 35%        |
| Gjoa Haven         | 1               | 1               | 0%         | 0             | 0%         |
| Kugluktuk          | 1               | 1               | 67%        | 0             | 0%         |
| <b>TOTALS</b>      | <b>199</b>      | <b>50</b>       | <b>75%</b> | <b>50</b>     | <b>34%</b> |

**Petroleum Products Division**

|                         |                 |                 |            | Beneficiaries |                        |
|-------------------------|-----------------|-----------------|------------|---------------|------------------------|
|                         | Total Positions | Total Vacancies | % Capacity | Hired         | % IEP                  |
| Petroleum Products Div. | 19              | 2               | 89%        | 11            | 65%                    |
| <b>TOTALS</b>           | <b>218</b>      | <b>52</b>       | <b>76%</b> | <b>61</b>     | <b>37%<sup>1</sup></b> |

<sup>1</sup> Petroleum Products Division employment statistics do not appear in PW&S Main Estimates (self funding) and are therefore shown as a separate entity above.