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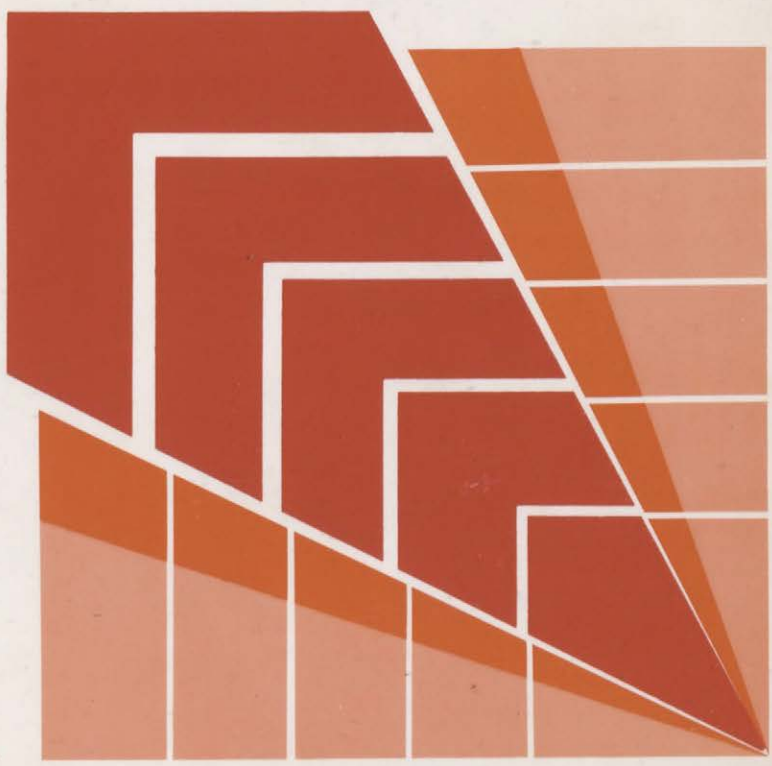
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FISHERIES MARINE SERVICE  
CENTRE PROGRAM

CANADA/ NEWFOUNDLAND



OCTOBER 15, 1974

# subsidiary agreement



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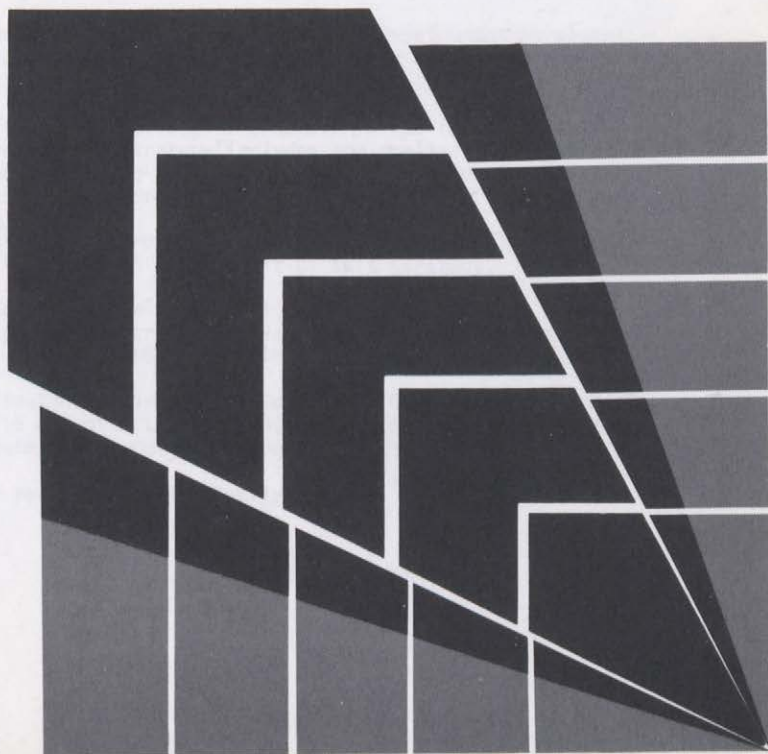
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FISHERIES MARINE SERVICE  
CENTRE PROGRAM

CANADA/ NEWFOUNDLAND



OCTOBER 15, 1974

CANADA-NEWFOUNDLAND SUBSIDIARY AGREEMENT  
FISHERIES MARINE SERVICE CENTRE PROGRAM

THIS AGREEMENT made this 15th day of October, 1974

BETWEEN:

THE GOVERNMENT OF CANADA  
(hereinafter referred to as "Canada"),  
represented by the Minister of Regional  
Economic Expansion,

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE PROVINCE OF  
NEWFOUNDLAND (hereinafter referred  
to as "the Province"), represented  
by the Minister of Fisheries,

OF THE SECOND PART.

WHEREAS Canada and the Province signed a General Development Agreement dated the first day of February, 1974, (hereinafter referred to as "the GDA") to achieve the objectives stated in section 3 thereof;

AND WHEREAS a strategy is provided in Schedule "A" to the GDA for achieving such objectives, which strategy includes the realization of development opportunities associated with the expanding fisheries industry, to improve the impact of the fisheries on the provincial economy;

AND WHEREAS Canada and the Province have agreed that public investments will be required to assist in the pursuit of this strategy;

AND WHEREAS the Administrator in Council by Order in Council P.C. 1974-8/2224 of the 8th day of October, 1974, has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council No. 1196-74 of the 11th day of October, 1974, has authorized the Minister of Fisheries to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

## DEFINITIONS

1. In this Agreement:
  - (a) "eligible costs" means those costs referred to in section 4;
  - (b) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
  - (c) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
  - (d) "Management Committee" means the committee referred to in section 7;
  - (e) "Ministers" means the Federal Minister and the Provincial Minister;
  - (f) "program" means the subject matter specified in section 3;
  - (g) "project" means a subdivision of a program item as defined by the Management Committee;
  - (h) "infrastructure" means physical facilities defined by the Management Committee as being components of the program items specified in Schedule "A"; and
  - (i) "Provincial Minister" means the Minister of Fisheries of Newfoundland and includes anyone authorized to act on his behalf.

## OBJECTIVE

2. The objective of this Agreement is to enable Canada and the Province to permit the more extensive and effective use of multi-purpose boat technology.

## SUBJECT MATTER

3. Schedule "A" attached to and forming part of this Agreement shall consist of a list of program items that the Province shall arrange to have carried out under this Agreement, and which shall consist of the Fisheries Marine Service Centre Program.

### FINANCIAL PROVISIONS

4. The eligible costs to be financed or shared under this Agreement by Canada and the Province in respect of the program items listed in Schedule "A" shall consist of:
  - (a) with respect to the infrastructure components, all direct costs, including those relating to public information but excluding administration, survey, engineering, and architecture costs, that in the opinion of the Management Committee have been reasonably and properly incurred for the implementation of the programs by the Province; plus ten per cent (10%) of these costs as an allowance towards the exclusions specified; and
  - (b) other specific direct costs as approved by the Management Committee.
5.
  - (1) Unless otherwise agreed by the Federal Minister, the costs of each program item shall be limited to the amounts specified in Schedule "A".
  - (2) The costs to be financed by Canada shall not include:
    - (a) any costs relating to the acquisition of lands or interests in lands; or
    - (b) any costs arising from the operation or maintenance of the program items described in Schedule "A".
  - (3) If, at any stage, it appears to the Province that the estimated costs for any program item will exceed those specified in Schedule "A", the Province shall promptly so inform the Management Committee and state the reasons for such increase.
  - (4) Upon being informed, the Management Committee shall consider the circumstances which have contributed to the increase in the estimated costs and shall prepare and present a report and recommendations to the Ministers in respect of the action proposed to be taken.
6. Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement with respect to the program items listed in Schedule "A" shall not exceed ninety per cent (90%) of the total eligible costs up to an amount of \$10,800,000.

#### ADMINISTRATION AND MANAGEMENT

7. (1) Each of the Ministers shall designate one or more senior officials to be responsible for the administration of this Agreement. These officials shall constitute the Management Committee whose function it shall be to over-see the implementation of the programs specified in section 3, to define infrastructure components and projects, and to fulfill responsibilities identified for the Management Committee elsewhere in this Agreement. The Federal Minister and the Provincial Minister shall respectively appoint one federal and one provincial official from the members of the Management Committee to act as Co-chairman.
  - (2) The Management Committee shall submit for the approval of the Ministers annually and no later than September 1, an assessment of the progress made in implementing the Agreement, the effectiveness to date of the program and program items in achieving the objectives intended and the continuing relevance of the objectives themselves together with the projected budget required for the subsequent fiscal year.
8. Canada and the Province agree to provide the Management Committee with all information necessary for the performance of its function.

#### PAYMENT PROCEDURES

9. Subject to section 10, payments by Canada shall be promptly made to the Province on the basis of progress claims setting out the costs actually incurred and paid for the project, submitted in a form and verified in a manner satisfactory to the Federal Minister.
10. (1) In order to assist with the interim financing of projects, Canada may, if the Province so requests, make interim payments to the Province of one hundred per cent (100%) of Canada's share of claims submitted, based on estimates of costs actually incurred as certified by a senior officer of the Province.
  - (2) The Province shall account for each interim payment by submitting to Canada, within ninety days after such payment by Canada, a detailed statement of the actual expenditures incurred and paid, verified in a manner satisfactory to the Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually paid by the Province shall be promptly adjusted between Canada and the Province.

- (3) Payment of claims under sections 9 and 10 shall be augmented by ten per cent (10%) for infrastructure projects as provided for in paragraph 4(a).

#### TENDERS AND CONTRACT AWARDS

11. (1) Unless the Management Committee otherwise agrees, all construction, purchase and other contracts shall be let pursuant to tenders invited by public advertisement;
- (2) opening of all tenders shall be public and the Management Committee shall be supplied with copies of each advertisement for tender, together with notice of the time and place for tender opening, in sufficient time to enable any member of the Management Committee or his representative to be present at all tender openings and to participate in the evaluation of tenders;
- (3) all contracts shall be awarded to the responsible and responsive tenderer who submitted the lowest evaluated bid, unless otherwise agreed by the Management Committee;
- (4) all contracts for professional services shall be supervised in accordance with procedures to be approved by the Management Committee, and reports produced by consultants or resulting from such contracts shall become the property of both parties; and
- (5) all announcements of contract awards shall be made jointly by Canada and the Province.

#### IMPLEMENTATION

12. (1) All substantive amendments to contracts shall require the prior approval of the Management Committee;
  - (2) any member of the Management Committee or his representative shall be permitted to inspect the project at all reasonable times for the purpose of verifying progress claims and obtaining any other information concerning the project which may be required by the Federal Minister or the Provincial Minister; and
  - (3) the Province shall forward to the Management Committee a report as to the progress of the work, in such detail and at such time as may be required by the Management Committee.
13. Contracts and purchases made and work done prior to the date of this Agreement on and after January 1, 1974, in respect of the

program items listed in Schedule "A", may be accepted as complying with the provisions of this Agreement if they are approved in writing by the Federal Minister on the recommendation of the Management Committee.

#### PUBLIC INFORMATION

14. Canada and the Province agree to cooperate in the development and implementation of a program of public information respecting implementation of program items and projects under this Agreement, and further agree to supply, erect and maintain:
  - (a) during the course of construction of each project, a project sign or signs specifying that the relevant project is a Canada-Newfoundland Regional Development Project financed by contributions by the Department of Regional Economic Expansion of the Government of Canada (and any other federal agency, where relevant) and the Government of the Province of Newfoundland, or such other wording to the like effect as may be agreed to by the Ministers; and
  - (b) where relevant, upon completion of each project, a permanent sign or plaque to the effect set forth in (a).
15. Any public announcement of the measures covered by this Agreement, and any official opening ceremony for each project outlined in Schedule "A", shall be arranged jointly by the Ministers.

#### GENERAL

16. This Agreement shall terminate on March 31, 1977, and Canada shall not be responsible for any costs incurred after this date nor will it pay any claim which is not received by March 31, 1978. Upon the completion of the program items or projects, all relevant physical assets, movable and immovable, shall become the property of the Province and shall be operated and maintained by the Province.  
The terms and conditions of the GDA apply to this Agreement.
17. The Management Committee shall provide to the Joint Federal-Provincial Manpower Needs Committee (Newfoundland) and its Fisheries Industry Subcommittee, information relevant to projecting labour requirements; and Canada and the Province agree to provide for the required quantity and type of training through existing federal, provincial, and federal-provincial programs to meet labour requirements, subject to the provisions of such programs and the availability of funds.
18. No member of the House of Commons or of the Legislative Assembly



of Newfoundland shall be admitted to any share or part of any contract, agreement, or commission made pursuant to this Agreement, or to any benefit to arise therefrom.

#### EVALUATION

19. During this Agreement, Canada and the Province shall jointly effect an assessment of the programs listed in Schedule "A" with regard to the stated objectives. Annual progress reports shall be submitted by the Management Committee to the Ministers on or before the annual meeting of the Ministers as prescribed under subsection 9.1 and section 10 of the GDA. In addition, Canada and the Province shall also jointly effect an evaluation of this Agreement with respect to the general economic and socioeconomic development of Newfoundland.

#### AMENDMENTS

20. This Agreement, and Schedule "A" thereof, may be amended as agreed from time to time by the Ministers, and any relevant amendments shall be made by the two Ministers in writing. Each program item added to Schedule "A" shall form part of this Agreement and shall be governed by the terms thereof as fully and effectively as if it had originally been included in this Agreement. It is expressly understood and agreed, however, that any amendment to section 6 shall require the approval of the Governor in Council.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Regional Economic Expansion, and on behalf of the Province by the Minister of Fisheries.

In the Presence of:

GOVERNMENT OF CANADA

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Witness

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Minister of  
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE OF  
NEWFOUNDLAND

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Witness

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Minister of Fisheries

CANADA-NEWFOUNDLAND SUBSIDIARY AGREEMENT

FISHERIES MARINE SERVICE CENTRE PROGRAM

SCHEDULE "A"

Program Items	Estimated Total Cost (\$'000)	Federal Share Including	
		(a) Direct Cost (\$'000)	(b) 10% Allowance (Where applicable)
1. Construction of a wharf, service centre building, storage area, supply and installation of a 50 ton travelift and equipment for a Marine Service Centre at <u>Durrell</u> .	860	774	
2. Construction of a wharf, service centre building, supply and installation of a synchrolift and equipment for a Marine Service Centre at <u>Wesleyville</u> .	1,115	1,004	
3. Construction of a wharf, service centre building, storage area, supply and installation of a 50 ton travelift and equipment for a Marine Service Centre at <u>Harbour Grace</u> .	1,180	1,062	
4. Construction of a service centre building, supply and installation of two 50 ton travelifts and equipment for a Marine Service Centre at <u>Bonavista</u> .	800	720	
5. Construction of a wharf, service centre building, storage area, supply and installation of a 50 ton travelift and equipment for a Marine Service Centre at <u>Old Perlican</u> .	995	895	
6. Construction of a wharf, service centre building, storage area, supply and installation of an appropriate haulout device and equipment at <u>Isle aux Morts</u> .	1,200	1,080	

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Program Items	Estimated Total Cost (\$'000)	Federal Share Including	
		(a) Direct Cost (\$'000)	(b) 10% Allowance (where applicable)
7. Construction of a wharf, service centre building, storage area, supply and installation of an appropriate haulout device and equipment at <u>Port Union.</u>	1,000	900	
8. Construction of a wharf, service centre building, storage area, supply and installation of an appropriate haulout device and equipment at <u>LaScie.</u>	1,100	990	
9. Construction of a wharf, service centre building, storage area, supply and installation of an appropriate haulout device and equipment at <u>Fogo Island.</u>	1,100	990	
10. Construction of a wharf, service centre building, storage area, supply and installation of an appropriate haulout device and equipment at <u>St. Mary's, Placentia.</u>	1,100	990	
11. Construction of a wharf, service centre building, storage area, supply and installation of an appropriate haulout device and equipment at <u>Englee.</u>	1,200	1,080	
12. Mobile Barge Facility.	350	315	
	<u>12,000</u>	<u>10,800</u>	

