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Regional
Economic
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Expansion
Économique
Régionale

INDUSTRY, SCIENCE
AND TECHNOLOGY CANADA

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CANADA/NEWFOUNDLAND
MINERAL DEVELOPMENT,
1976-1982



17 DECEMBER, 1976

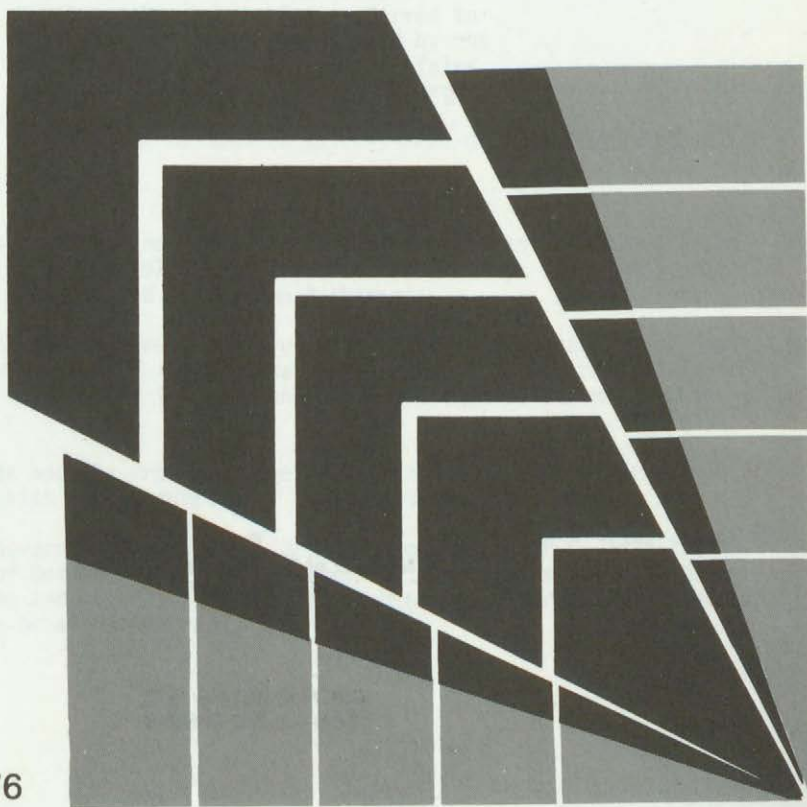
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CANADA - NEWFOUNDLAND
MINERAL DEVELOPMENT SUBSIDIARY AGREEMENT
1976-1982

THIS AGREEMENT made this 17th day of December, 1976

BETWEEN:

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

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE PROVINCE OF
NEWFOUNDLAND (hereinafter referred to
as the "Province"), represented by the
Minister of Intergovernmental Affairs
and the Minister of Mines and Energy,

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 Canada and the Province have agreed that in the interest of the socioeconomic development of the province the projects listed in Schedule "A" attached will be implemented in accordance with procedures set out in this Agreement;

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 Governor in Council by Order in Council No. P.C. 1976-2/3145 of the 16th day of December, 1976, has authorized the Minister of Regional Economic Expansion and the Minister of Energy, Mines and Resources to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council No. M/C 1473-76 of the 17th day of December, 1976, has authorized the Minister of Intergovernmental Affairs and the Minister of Mines and Energy to execute this Agreement on behalf of the Province;

NOW THEREFORE, the parties hereto mutually agree as follows:

DEFINITIONS

1. In this Agreement:

- (a) "capital project" means any specific project or part thereof, as determined by the Management Committee, in which construction or activities related to construction are involved;
- (b) "element" means a specific activity forming a self-contained unit within a project;
- (c) "eligible cost" means those costs referred to in section 4 of this Agreement;
- (d) "Federal Ministers" means the Minister of Regional Economic Expansion and the Minister of Energy, Mines and Resources of Canada and includes anyone authorized to act on their behalf;
- (e) "fiscal year" means the period commencing on April 1st of any year and terminating on March 31st of the following year;
- (f) "Management Committee" means the Committee referred to in section 5 of this Agreement;
- (g) "Ministers" means the Federal Minister and the Provincial Minister;
- (h) "program" means the projects of this Agreement as specified in Schedule "A";
- (i) "project" means a specific activity forming a self-contained unit within the program;
- (j) "Provincial Minister" means the Minister of Mines and Energy and includes anyone authorized to act on his behalf.

OBJECTIVES

2. (1) The objectives of this Mineral Development Subsidiary Agreement are:
 - (a) to upgrade basic geoscientific data in selected high mineral potential areas of the province and to encourage mineral exploration and to stimulate development;
 - (b) to provide a comprehensive inventory of known mineral deposits and relate them to technological and market conditions so that development opportunities may be recognized and realized; and
 - (c) to develop and evaluate policies and strategies for mineral resource management that will encourage exploration and development by the private sector while providing maximum social and economic benefits to Newfoundland.

SUBJECT MATTER

3. (1) Schedule "A" attached to and forming part of this Agreement shall consist of a list of projects that the Province shall arrange to have carried out under this Agreement and which shall consist of the following:
 - (a) regional mineral potential evaluation;
 - (b) mineral development strategies; and
 - (c) mineral resource management.
- (2) Upon completion of each element of the projects outlined in the attached Schedule "A" the Province shall accept full responsibility for the continuing operation and maintenance of capital elements and equipment except where other federal-provincial arrangements apply.

FINANCIAL PROVISIONS

4. (1) Subject to subsection 4(2) the eligible costs to be financed or shared under this Agreement by Canada and the Province in respect of the projects or portions thereof listed in Schedule "A" are:
 - (a) all costs of non-capital projects reasonably and properly incurred and paid by the Province under all contracts entered into, in accordance with this Agreement by the Province, with any person or corporation for the acquisition of equipment or the performance of work or services;

- (b) the gross salaries, employer's share of contributions for Canada Pension Plan and Unemployment Insurance of those contractual or temporary personnel, as determined by the Management Committee, who are to be engaged under this Agreement, solely for the implementation of the projects;
 - (c) the incremental costs for office space and services necessary to accommodate the contractual personnel mentioned in paragraph 4(1) (b). Costs of accommodation in provincially-owned buildings and costs for regular telephone and other utility systems shall be excluded except as otherwise agreed by the Management Committee;
 - (d) properly incurred travel expenses (fares, accommodations, meals, communications) of provincial personnel engaged in the implementation of the projects which expenses are in accordance with applicable provincial regulations;
 - (e) with respect to capital elements, all direct costs but excluding administration, survey, engineering and architecture costs that have been reasonably and properly incurred by the Province, plus ten per cent (10%) of these costs in lieu of the excluded costs specified above;
 - (f) all costs relating to public information including those covered in section 9 of this Agreement.
- (2) The eligible costs to be financed by Canada shall not include any costs relating to the acquisition of lands or interests in lands, or any costs arising from conditions of acquisition.
 - (3) If, at any stage of a project, it appears to the Province that the costs thereof will exceed the estimated costs specified for any project in Schedule "A", the Province shall promptly so inform the Management Committee and state the reasons for such increases. The Management Committee may, at its discretion, terminate the project or recommend transfer of funds from other project(s). Funds may not be transferred from one project to another without the written agreement of the appropriate Ministers.
 - (4) Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement with respect to the projects listed in Schedule "A" shall not exceed ninety per cent (90%) of the eligible costs to a maximum of \$11 212 200.

ADMINISTRATION AND MANAGEMENT

5. (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. The federal Minister of Regional Economic Expansion and the provincial Minister of Mines and Energy shall respectively appoint one federal and one provincial official from the members of the Management Committee to act as Co-Chairmen.
- (2) The function of the Management Committee shall be to establish a definition of each project specified in section 3 for the purpose of identifying the work to be financed, to establish procedures for and to oversee the implementation of those projects and to fulfill responsibilities identified for the Management Committee in sections 7 and 8 of this Agreement.
- (3) A work program including the proposed scheduling and estimate of costs shall, at the request of the Management Committee, be represented by the Province for approval of the Management Committee for each project, or portion of a project identified in section 3 prior to calling tenders or initiating other commitments for the implementation of a project.
- (4) The signatures of the Co-Chairmen, or their alternates, in their absence, shall be required in order to record formal approval of Management Committee documents including meeting minutes, project authorizations or any other recommendation, approval or decision within the jurisdiction of the Management Committee.
- (5) Canada and the Province agree to provide the Management Committee with all information necessary for the performance of its function.

PAYMENT PROCEDURES

6. (1) Subject to subsection 6(2) payments by Canada shall be promptly made to the Province on the basis of audited 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.
- (2) In order to assist with the interim financing of projects, Canada may, if the Province so requests, make interim payments to the Province of 100 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.

- (3) The Province shall account for each interim payment by submitting to Canada, within 120 days after such payment by Canada, a detailed statement of the actual expenditures incurred and paid, verified in a manner satisfactory to the Federal Ministers. 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.
- (4) Payment of claims under subsection 6(1) and 6(2) shall be augmented by ten per cent (10%) for the projects as provided for in paragraph 4(1) (e).

TENDERS AND CONTRACT AWARDS

7. (1) Unless the Management Committee otherwise agrees, all construction, purchases 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, following approval of the Management Committee, to the responsible and responsive tenderer who submitted the lowest evaluated tender, 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.
- (5) All announcements of tender calls and contract awards shall be made jointly by Canada and the Province.

IMPLEMENTATION

8. (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 projects at all reasonable times for the purpose of verifying progress claims and obtaining any other information concerning the projects which may be required by the Federal Ministers or the Provincial Minister.

- (3) The Province shall forward to the Management Committee reports as to the progress of the work, in such detail and at such times as may be required by the Management Committee.

PUBLIC INFORMATION

9. (1) Canada and the Province agree to co-operate in the development and implementation of a program of public information respecting implementation of projects under this Agreement, and further agree to supply, erect and maintain on the direction of the Management Committee:
 - (a) during the course of construction of capital projects, a project sign or signs consistent with Federal-Provincial identity graphics and guidelines, and in both official languages, specifying that the relevant project is a Canada-Newfoundland Regional Development Project, financed by contributions from the Department of Regional Economic Expansion and the Department of Energy, Mines and Resources of the Government of Canada and the Government of the Province of Newfoundland, or such other wording to the like effect as may be agreed upon by the Ministers; and
 - (b) where relevant upon completion of each project, a permanent sign or plaque to the effect set forth in (a).
- (2) Any public announcement of the measures covered and of any products generated by this Agreement, as well as any official opening ceremony for any project under this Agreement, where such ceremony is indicated and appropriate, shall be arranged jointly by the Ministers.

GENERAL

10. (1) This Agreement shall terminate on December 31, 1981 and Canada shall not be responsible for any costs incurred after this date nor will Canada pay any claim received after December 31, 1982.
- (2) The terms and conditions of the GDA shall apply to this Agreement.
- (3) With regard to the applicability of labour standards, the parties to this Agreement agree as follows:
 - (a) rates of pay shall be those prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;

- (b) in building construction, the rates of pay for overtime shall be time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 48 hours per week;
- (c) labour conditions shall be specified in all tendering documents and shall be posted conspicuously in the work place;

it being expressly understood and agreed that to the extent to which there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply.

- (4) No member of the House of Commons or of the Newfoundland House of Assembly shall be admitted to any part or share of any contract, agreement or commission made pursuant to this Agreement, or to any benefit to arise therefrom.
- (5) All documents, publications and information generated as a result of the projects provided for in this Agreement shall become the joint property of and be freely available to both parties.

EVALUATION

- 11. (1) During this Agreement, Canada and the Province shall jointly effect an evaluation of the projects listed in Schedule "A" with respect to the stated objectives of this Agreement. The Management Committee will be responsible for ensuring that the systems necessary for conducting the evaluation of this Agreement are developed within the initial phase of project implementation.
- (2) A progress report shall be submitted by the Management Committee to the Ministers before each annual meeting of the Ministers as prescribed under subsection 9.1 and section 10 of the GDA.

AMENDMENTS

12. (1) This Agreement, and the attached Schedule "A" which forms part of this Agreement, may be amended from time to time by the Ministers by an exchange of correspondence. It is expressly understood and agreed, however, that any amendments to subsection 4(4) shall require the prior approval of the Governor in Council and the Lieutenant Governor in Council.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Regional Economic Expansion and the Minister of Energy, Mines and Resources and on behalf of the Province by the Minister of Intergovernmental Affairs and the Minister of Mines and Energy.

In the presence of:

GOVERNMENT OF CANADA

Witness

Minister of
Regional Economic Expansion

Witness

Minister of
Energy, Mines and Resources

GOVERNMENT OF THE PROVINCE
OF NEWFOUNDLAND

Witness

Minister of
Intergovernmental Affairs

Witness

Minister of
Mines and Energy

CANADA - NEWFOUNDLAND
 MINERAL DEVELOPMENT SUBSIDIARY AGREEMENT
 1976-1982
 SCHEDULE "A"

<u>PROJECTS</u>	<u>DESCRIPTION</u>	<u>ESTIMATED COST</u> \$	<u>FEDERAL SHARE</u> \$
1. Regional Mineral Potential Evaluation	Conduct geological, geochemical and geophysical surveys and mapping in Newfoundland and Labrador.	8 847 000	7 728 300
2. Mineral Development Strategies	Produce mineral potential maps; develop, research, review and operate a mineral deposits file; research, review and develop a Crown-controlled deposits file; construct four core storage buildings; and initiate studies and reports which research, review, assess, identify, promote and market development opportunities for minerals and mineral commodities.	2 582 000	2 323 800
3. Mineral Resource Management	Analyze and evaluate present government policies on mineral-related matters; and research, review, develop and recommend policies, policy options and strategies for the minerals sector and where applicable its integration with other sectors.	1 089 000	980 100
4. Program Evaluation		<u>200 000</u>	<u>180 000</u>
TOTALS		12 458 000	11 212 200