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SEPTEMBER 13, 1974

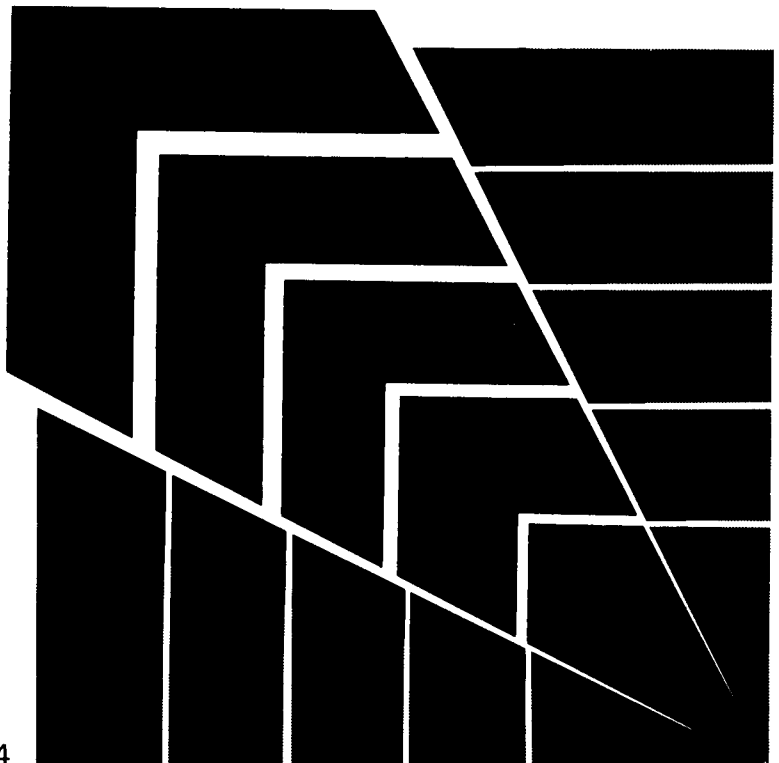
subsidiary agreement



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KEY HIGHWAY NETWORKS

CANADA/ QUEBEC



SEPTEMBER 13, 1974

CANADA-QUEBEC SUBSIDIARY AGREEMENT
ON KEY HIGHWAY NETWORKS 1974 - 1979

THIS AGREEMENT made this 13th day of September, 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 QUEBEC
(hereinafter referred to as "Quebec"),
represented by the Minister responsible
for the Quebec Planning and Development
Bureau,

OF THE SECOND PART.

WHEREAS Canada and Quebec signed a General Development Agreement on the fifteenth day of March, 1974, in order to achieve the following aims:

- a) to improve opportunities for productive employment and to consolidate employment in the traditional sectors;
- b) to improve the standard of living;
- c) to reinforce the industrial and urban structure of Quebec and promote the optimal development of the various regions;
- d) to promote increased participation of Quebecers in their own development; and
- e) to promote balanced development in Quebec in relation to the various regions of Canada;

AND WHEREAS a comprehensive highway infrastructure would contribute to the attainment of the goals outlined above;

AND WHEREAS it is necessary to construct key highway networks in order to complete this infrastructure;

AND WHEREAS the Governor in Council, by Order in Council PC 1974-B/1539 of the sixteenth day of July, 1974, has authorized the Minister of Regional Economic Expansion to sign this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant-Governor in Council, by Order in Council No. 3256-74 of the eleventh day of September, 1974, has authorized the Minister responsible for the Quebec Planning and Development Bureau to sign this Agreement on behalf of Quebec;

NOW THEREFORE the parties hereto mutually agree as follows:

DEFINITIONS

1. In this Agreement
 - (a) "General Agreement" means the Agreement between Canada and Quebec on the social and economic development of the province, concluded on the fifteenth day of March, 1974;
 - (b) "Federal Minister" means the Minister of Regional Economic Expansion and includes anyone authorized to act on his behalf;
 - (c) "Minister of Quebec" means the Minister responsible for the Quebec Planning and Development Bureau and includes anyone authorized to act on his behalf;
 - (d) "Ministers" means the federal Minister and the Minister of Quebec;
 - (e) "Department" means the Department of Regional Economic Expansion;
 - (f) "Bureau" means the Quebec Planning and Development Bureau;
 - (g) "Development Committee" means the Committee established pursuant to clause 9.1 of the General Agreement;
 - (h) "Management Committee" means the Committee established pursuant to clause 9(2) of this Agreement;
 - (i) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
 - (j) "duration of this agreement" means the period between the date this Agreement is signed and March 31, 1979;

- (k) "deadline" means the date by which eligible work must be completed, as stipulated in Schedule B;
- (l) "Subsidiary Agreement" means an agreement concluded pursuant to clause 6 of the General Agreement;
- (m) "Schedule A" refers to the schedule containing an outline of the problems and objectives and a description of the projects;
- (n) "Schedule B" refers to the schedule containing a list of the projects, a breakdown of their cost and the timetable for their completion; and
- (o) "Site Manager" means the Province of Quebec or its agents.

PURPOSE

- 2. (1) Quebec shall execute, either directly or through its agents, the projects outlined in Schedule B of this Agreement.
- (2) Quebec shall take possession of the projects upon completion and assume responsibility for their operation and maintenance.
- (3) Quebec shall be responsible for acquiring all the land - and the rights thereto - needed for the implementation of the projects outlined in Schedule B.
- 3. (1) Canada and Quebec shall finance the projects outlined in Schedule B in the manner stipulated therein.
- (2) Canada's contribution shall not exceed sixty per cent of the eligible costs of each project while Quebec's contribution shall be at least forty per cent of such costs.
- 4. Unless written approval is granted by the Federal Minister following a formal request from the Minister of Quebec, Canada shall neither reimburse any expenditure incurred after the deadline set for each project in Schedule B nor honour any claim that is not presented within twelve months of the said deadline.
- 5. (1) Subject to paragraph (2) of this clause, the expenses to be borne by the Department and the Bureau in respect of the projects or parts of projects outlined in Schedule B shall be:
 - (a) all direct expenses which, in the opinion of the Management Committee, have been justifiably incurred by Quebec in the implementation of the project,

except for administrative, research, surveying, engineering, architectural and project supervision costs;

- (b) an amount equal to ten per cent (10%) of the direct expenses to which the above paragraph (a) applies, in remuneration of the costs excluded thereunder.
- (2) Expenses relating to the acquisition of land shall be borne by Quebec and shall not be included in the cost-sharing arrangement.
6. Notwithstanding any other provision except clause 14 in this Agreement, the total financial contributions by the Department and the Bureau shall not exceed \$26,565,000 and \$17,710,000 respectively, thus bringing to \$44,275,000 the sum allocated to the construction of Autoroute 30.
7. This Agreement, including its Schedules, may be amended with the written consent of the Ministers, with the exception of clause 6, which may only be amended with the consent of the Governor in Council and the Lieutenant-Governor in Council.
8. Eligible expenses incurred prior to the signing of this Agreement, including those relating to contracts awarded and purchases made, shall be deemed to be in accordance with and acceptable under the terms of this Agreement if they are approved in writing by the Federal Minister following a formal request from the Minister of Quebec.

MANAGEMENT

9. (1) This Agreement shall be supervised by the Development Committee, the composition and duties of which are set forth in clause 9.1 of the General Agreement concluded on the fifteenth day of March, 1974.
- (2) A Management Committee, comprising an equal number of representatives of Canada and Quebec, shall be responsible for the routine management of the projects. Quebec shall be represented on this Committee by one representative from the Bureau and another from the Department of Transport, appointed by their respective Ministers.
- (3) The Management Committee shall answer to the Development Committee and its specific tasks shall be:
- (a) to see that the projects provided for in Schedule B are implemented;

- (b) to propose amendments to this Agreement, including Schedules A and B, subject to the provisions of clauses 6 and 7;
 - (c) to create subcommittees, if need be, to assist in the fulfilment of its mandate;
 - (d) to inform the people and groups affected by this Agreement.
- (4) Canada and Quebec undertake to provide the Management Committee, through their respective representatives, with all the information it requires in order to perform its tasks.
 - (5) No project may be registered or changed without a formal application from the Site Manager to the Management Committee.

ADMINISTRATIVE PROCEDURES

- 10. The implementation of the projects proposed in this Agreement shall be subject to the following conditions:
 - (a) the final plans and estimates as well as the texts of all calls for tenders and contracts shall require the approval of the Management Committee before such tenders are called;
 - (b) all construction and purchasing contracts shall be awarded to the qualified tenderer making the lowest bid following the public call for tenders; the Management Committee may, however, decide otherwise;
 - (c) any major amendment to a construction or purchasing contract shall require the approval of the Management Committee;
 - (d) any member or representative of the Management Committee may inspect the work in order to verify the reported progress or to obtain any other information concerning the project.

ACCOUNTS AND METHOD OF PAYMENT

- 11. (1) Subject to clause 12, upon receipt of a claim certified by the President of the Bureau or his representative and submitted by Quebec in the duly prescribed manner, Canada shall reimburse the latter as soon as possible, and in the proportions established in Schedule B, for all eligible expenses actually incurred in the execution of a project, plus ten per cent as prescribed in clause 5(1)(b) of this Agreement.

- (2) Nevertheless, at the Bureau's request and on the Management Committee's recommendation, Canada may make progress payments as the work proceeds in proportion to the expenditures that the said work entails, plus ten per cent as provided for in clause 5(1)(b) of this Agreement. These expenditures shall be audited and certified by a senior Quebec official.
 - (3) Quebec shall keep accounts of these progress payments and shall submit to Canada within one hundred and twenty days of each payment a detailed statement of expenditure in the duly prescribed manner. Any discrepancy between the amounts paid by Canada as progress payments and the amounts actually payable by the Department shall be adjusted by Canada and Quebec as quickly as possible.
12. All payments made to Quebec by Canada pursuant to clause 11 shall be paid into the Consolidated Fund of Quebec through the Bureau.
 13. Quebec shall ensure that its agents maintain up-to-date and detailed accounts for each project and shall undertake to provide Canada, upon request, with all the accounting information required to audit claims relating to the various projects undertaken in accordance with this Agreement.
 14. In each fiscal year the contributions of Canada and Quebec under the terms of this Agreement shall be conditional upon the allocation of funds for this purpose by the Parliament of Canada and the Quebec National Assembly.

EVALUATION

15. As provided for in clause 6.5 of the General Agreement, the projects outlined in Schedules A and B shall be assessed according to criteria established by the Development Committee in the year following the signing of this Agreement.

GENERAL PROVISIONS

16. (1) The text of all calls for tenders relating to the projects including this Agreement shall contain the following statement: "This Development project is being financed jointly by the Department of Regional Economic Expansion of Canada and the Quebec Planning and Development Bureau and is being implemented in co-operation with the Quebec Department of Transport", or any other statement to the same effect approved by the Ministers.
- (2) Canada shall provide, install on site and maintain throughout the period that work is in progress, one or more

signboards indicating that the work concerned is undertaken and financed in accordance with this Agreement, or bearing any other statement to the same effect approved by the Ministers.

- (3) Canada reserves the right to provide and install wherever suitable, on completion of the work, a permanent plaque or signboard bearing an inscription similar to that described in paragraph 16(2).
 - (4) Official inauguration ceremonies for the projects outlined in Schedule B shall be organized jointly by the Ministers.
17. No member of the House of Commons or the National Assembly shall be admitted to any share or part of any contract, agreement or commission made pursuant to any subsidiary agreement or to any benefit arising therefrom.
 18. Where one party hereto is responsible for the implementation of a project, it shall indemnify the other party, its officers and agents against all claims and demands of third parties arising out of the implementation of such project.
 19. All construction work done during the implementation of the projects shall be carried out in accordance with labour conditions as may be agreed to between Canada and Quebec.
 20. All contracts relating to the operation of projects shall be awarded without discrimination by reason of sex, age, marital status, race, ethnic origin, religion or political affiliation. It is agreed, however, that the foregoing shall not prevent the implementation of special measures designed to benefit native people or other disadvantaged groups living in a region where a project is being carried out.
 21. Canadian material, as well as Canadian professional services, shall be used in respect of all projects, to the extent to which they are available and consistent with proper economy and without prejudice to the expeditious execution of these programs or projects.

IN WITNESS WHEREOF, the Minister of Regional Economic Expansion has affixed his signature on behalf of Canada, and the Minister responsible for the Quebec Planning and Development Bureau has affixed his signature on behalf of Quebec, on the day and in the year above stated.

IN THE PRESENCE OF

ON BEHALF OF CANADA

Witness

Minister of
Regional Economic Expansion

ON BEHALF OF QUEBEC

Witness

Minister responsible for the Quebec
Planning and Development Bureau

SUBSIDIARY AGREEMENT ON KEY HIGHWAY NETWORKS

SCHEDULE A

TITLE OF PROJECT

Project for the construction of Autoroute 30 between the Trans-Canada Highway (A-20) at Boucherville and Boulevard Grande Rivière, Tracy. Attached is a road map for reference.

NATURE OF THE PROBLEM

The territory

Lying in the region commonly referred to as the crown of Montreal, the territory along the south shore of the Saint Lawrence between Boucherville and Tracy already boasts considerable industrial activity, based mainly on heavy industry. In fact, Varennes, Contrecoeur, Tracy and Sorel together represent one of the heaviest concentrations of the metallurgical and iron-and-steel industries in Quebec. The area already has access to excellent harbour facilities, including a vast shipyard, and an additional supply of electricity from a thermal power station located close at hand; moreover, it is gaining considerable ground in several other sectors such as the petrochemical industry, electrical research and heavy metal industry.

Highway links

The main road link in this area, Highway 3, is an undivided two-lane paved road that passes through all the towns and villages in its path. It is inadequate for the 7,000 or so vehicles that can be seen daily travelling through Verchères, the midway point. Twenty per cent of this volume of traffic (eight per cent more than the provincial average) consists of heavy vehicles and is increasing by five per cent each year. In fact, it reaches 23,000 vehicles a day in Boucherville, where the road has already been reconstructed into an autoroute. The industrial development of this region is known to be accelerating rapidly; moreover the ordinary development budget of the provincial Department of Transport would not allow highway infrastructures to be improved for another seven years or so. We might therefore expect, in the near future, a severe congestion of existing highways and a slowdown in the development of this region which holds such great economic potential.

OBJECTIVES

To promote industrial development in this high-potential corridor by advancing the construction of its main highway by two or three years.

To consolidate the region's links with the industrial basin and the vast market in the Montreal area.

To further extend the main highway network toward the heart of the province, location of the major industrial park of Bécancour, of the nuclear power station and further heavy-water plant at Gentilly and of the *route Transquébécoise* which links the industrial centres of Shawinigan and Drummondville.

IMPACT ON OTHER PROJECTS

In addition to achieving the three major aims stated above, the construction of Autoroute 30 will also bring the following benefits:

the establishment of a major highway link with the SIDBEC/DOSCO steelworks complex at Contrecoeur, whose consolidation and rapid expansion are presently being discussed in connection with a separate subsidiary agreement to be included in the Canada-Quebec Development Agreement; and

the promotion of the development of sites of cultural, historical and tourist interest along the Saint Lawrence by restoring scenic character to Highway 3 and making that highway safer by eliminating a considerable proportion of the heavy traffic it must now bear.

DESCRIPTION

The construction of a divided highway with two lanes in each direction from Boulevard Grande Rivière in Tracy to Montée Sainte-Julie, a distance of 29.95 miles, and of two additional lanes from Montée Sainte-Julie to the Trans-Canada Highway, a distance of 2.95 miles. This project covers a total distance of 32.20 miles and involves the construction of thirteen grade separations at secondary highways.

For construction purposes, the project is divided into the following sections:

SECTION NUMBER	DESCRIPTION	DISTANCE (miles)	NUMBER OF GRADE SEPARATIONS
6	From Grande Rivière Road in Tracy to St-Roch Road	5.73	1
5	From St-Roch Road to a point west of Saint-Antoine Road	5.70	2
4	From Saint-Antoine Road to a point east of Descente d'en Bas	6.10	3
3	From Descente d'en Bas to a point east of Descente de la Butte Road	7.63	3
2	From Descente de la Butte Road to Montée Ste-Julie	4.09	2
2A	From Montée Ste-Julie to Auto-Route 20 at Boucherville (only one half of divided highway)	2.95	2
		32.20	13

SUBSIDIARY AGREEMENT ON KEY HIGHWAY NETWORKS

SCHEDULE B

(in \$,000)

PROJECT DESCRIPTION

AUTOROUTE 30 From the Trans Canada Highway (Boucherville) to Boulevard Grande Rivière (Tracy)

	<u>BREAKDOWN OF COSTS</u>			<u>PROPOSED BREAKDOWN OF EXPENDITURES</u>			
<u>Construction</u>	<u>Total estimated cost*</u>	<u>Canada DREE</u>	<u>Quebec</u>	<u>Years</u>	<u>Canada DREE</u>	<u>Quebec</u>	<u>Total</u>
Roadway, structures	35,000	21,000	14,000	1973-74	1,566	1,044	2,610
drainage system,				1974-75	8,000	5,333	13,333
signs, lighting				1975-76	11,400	7,600	19,000
and displacement of				1976-77	5,599	3,733	9,332
public utilities				TOTAL	<u>26,565</u>	<u>17,710</u>	<u>44,275</u>
<u>Indirect expenses (10%)</u>	<u>3,500</u>	<u>2,100</u>	<u>1,400</u>				
<u>SUB-TOTAL</u>	<u>38,500</u>	<u>23,100</u>	<u>15,400</u>				
<u>Reserve Fund (15%)**</u>	<u>5,775</u>	<u>3,465</u>	<u>2,310</u>				
<u>TOTAL</u>	<u>44,275</u>	<u>26,565</u>	<u>17,710</u>				

*The estimates given represent eligible costs under the Agreement.

Approved by the Development Committee

FOR CANADA

FOR QUEBEC

**Payments from the reserve fund shall be authorized by the Management Committee as the need arises.

Minister of
Regional Economic Expansion

Date
Minister responsible for
the Quebec Planning and
Development Bureau

(DEADLINE: March 31, 1977)

