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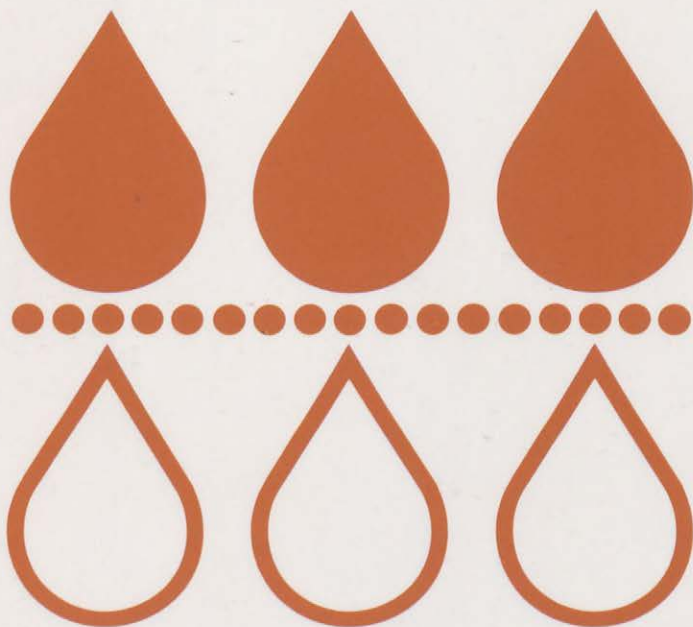
1978

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WATER TREATMENT FACILITIES FOR THE MONTREAL AREA

1977-1982

Canada—Quebec



Gouvernement
du Canada

Government
of Canada

Expansion
Économique
Régionale

Regional
Economic
Expansion



Office de planification
et de développement
du Québec

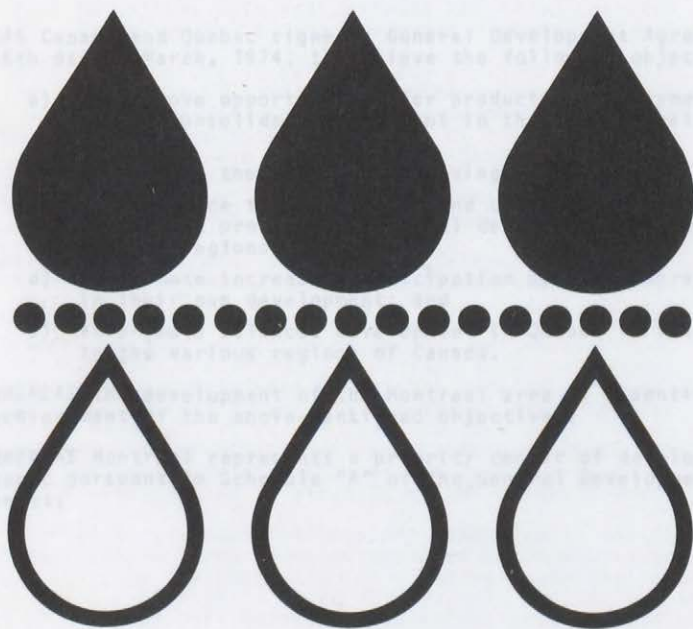
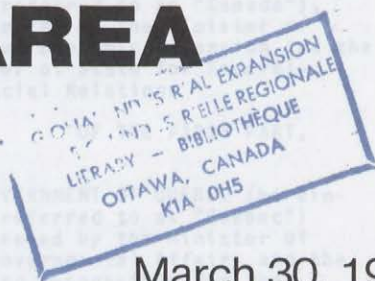
SUBSIDIARY AGREEMENT

WATER TREATMENT FACILITIES FOR THE MONTREAL AREA

1977-1982

Canada—Quebec

March 30, 1978



Gouvernement
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Office de planification
et de développement
du Québec

CANADA-QUEBEC
SUBSIDIARY AGREEMENT
ON WATER TREATMENT FACILITIES FOR
THE MONTREAL AREA
1977-1982

THIS AGREEMENT made this 30th day of March, 1978

BETWEEN:

THE GOVERNMENT OF CANADA (herein-
after referred to as "Canada"),
represented by the Minister of
Regional Economic Expansion and the
Minister of State for Federal-
Provincial Relations

OF THE FIRST PART,

AND:

THE GOVERNMENT OF QUEBEC (herein-
after referred to as "Quebec")
represented by the Minister of
Intergovernmental Affairs and 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 15th day of March, 1974, to achieve the following objectives:

- 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 by Quebeckers in their own development; and
- e) to promote balanced development in Quebec in relation to the various regions of Canada.

AND WHEREAS the development of the Montreal area is essential for the achievement of the above-mentioned objectives;

AND WHEREAS Montreal represents a priority center of development in Quebec pursuant to Schedule "A" of the General Development Agreement;

AND WHEREAS the water treatment program for the Montreal area will engender a dynamism suitable to a center of development;

AND WHEREAS the Governor in Council by Order in Council P.C. 1978-4/955 of the 23rd day of March, 1978, 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. 1026-78 of the 29th day of March, 1978, has authorized the Minister of Intergovernmental Affairs of Quebec and 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) "Schedule A" means the attached schedule "A" forming an integral part of this Agreement and containing the problems, objectives and plan of action;
- b) "Schedule B" means the attached schedule "B" forming an integral part of this Agreement and containing the description of the program, the distribution of costs and the schedule for completion of the projects;
- c) "Schedule C" means the attached schedule "C" forming an integral part of this Agreement, describing the payment procedures and conditions pursuant to which Canada proceeds to pay its share of the eligible costs of this Agreement in the form of advances;
- d) "Development Committee" means the Committee established pursuant to subsection 9.1 of the General Agreement;
- e) "Management Committee" means the Committee established pursuant to subsection 9(2) of this Agreement;
- f) "termination date" means the date on which a project is completed, as determined by the Management Committee;
- g) "duration of this Agreement" means the period between the date this Agreement is signed and March 31, 1982;
- h) "General Agreement" means the Agreement made between Canada and Quebec on the socioeconomic development of Quebec, signed on the 15th day of March, 1974;
- i) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
- j) "prime contractor" means Quebec or its agents;

- k) "Federal Minister" means the Minister of Regional Economic Expansion and includes anyone authorized to act on his behalf;
- l) "Ministers" means the Federal Minister and the Quebec Minister;
- m) "Quebec Minister" means the Minister responsible for the Quebec Planning and Development Bureau and includes anyone authorized to act on his behalf;
- n) "Program" means all projects of Phases I and II of the program of water treatment facilities for the Montreal area as described in Schedule "B" of this Agreement;
- o) "Project" means one of the components of Phases I and II of the program as mentioned in Schedule "B";
- p) "Montreal area" means Metropolitan census area (1976).

PURPOSE

- 2. The purpose of this Agreement is to assist Quebec in stepping up the program of water treatment in the Montreal area and to achieve the required works.
- 3. (1) The prime contractor implements the program and the projects of this Agreement.
- (2) The prime contractor takes possession of the completed projects and assumes the obligation of their operation and their maintenance.
- (3) The prime contractor is responsible for acquiring all the lands and rights pertaining thereto that are necessary for the implementation of the program and the projects.
- 4. Canada's contribution shall not exceed 60% of the eligible costs of the program and that of Quebec shall be at least 40% of the eligible costs of the program.
- 5. Unless written approval is obtained from the Federal Minister following an official request from the Quebec Minister, Canada shall not be responsible for any expenditures incurred after March 31, 1982, nor shall Canada pay any claim that is not received within 12 months of the termination date.
- 6. (1) Costs that are eligible under this program are:
 - a) Direct costs which, in the opinion of the Management Committee, are reasonably and properly incurred for the implementation of the program by the prime contractor. These direct costs exclude administration, research, survey, engineering, architecture and construction supervision costs; and

- b) as compensation for the costs excluded under paragraph a) above, an amount equal to ten per cent (10%) of the direct costs incurred.
- (2) The costs relating to the acquisition of lands or interests in lands are not a part of the eligible costs.
7. Notwithstanding any other provision of this Agreement, Canada's financial contribution shall be limited to \$120,000,000 and that of Quebec is not less than \$80,000,000.
8. This Agreement, including the Schedules, may be amended with the written consent of the Ministers, except for section 7 which may be amended only with the approval of the Governor in Council and the Lieutenant Governor in Council.

MANAGEMENT

9. (1) The general supervision of this Agreement is entrusted to the Development Committee whose composition and duties are described in subsections 9.1 and 9.2 of the General Agreement.
- (2) The routine management of the projects under this Agreement shall be ensured by a Management Committee comprising an equal number of representatives of Canada and of Quebec designated by their respective Minister.
- (3) The Management Committee is responsible to the Development Committee, and its specific tasks are:
- a) to recommend projects to the Development Committee in light of the objectives stated in this Agreement;
 - b) to see to the implementation of the program and of the projects;
 - c) to suggest amendments to be made to this Agreement, including the Schedules, subject to sections 7 and 8 of this Agreement;
 - d) to establish, if necessary, such subcommittees as may be required for the execution of its mandate; and
 - e) to provide information to the communities and agencies affected by this Agreement.
- (4) Canada and Quebec agree to provide the Management Committee, through their respective representatives, with all information necessary for the performance of its functions.
- (5) A request to include or modify a project must be submitted formally by the prime contractor to the Management Committee.

IMPLEMENTATION PROCEDURES

10. The implementation of the projects under this Agreement is subject to the following provisions:
- (1) The final plans and specifications, the form of invitation to tender and the form of contract shall be approved by Quebec and submitted to the Management Committee for approval before the call to tender or the commencement of government-sponsored construction.
 - (2) All construction and purchase contracts shall be let pursuant to tenders invited by public advertisement and shall be awarded to the responsible tenderer who submits the lowest evaluated bid, unless the Management Committee decides otherwise.
 - (3) Any major amendment to a construction or purchase contract shall require the approval of the Management Committee.
 - (4) The Management Committee shall be permitted, at the request of one of its members, or at least quarterly, to inspect the project for the purpose of verifying progress claims and obtaining any other information concerning the project.

RECORDS AND AUDIT AND PAYMENT PROCEDURES

11. (1) Subject to section 12, payments by Canada shall be made to Quebec promptly in relation to amounts claimed in respect to the projects, which claims shall be presented and verified to the satisfaction of the Federal Minister.
- (2) In order to assist the financing of the program Canada may, subject to the procedures and conditions set forth in Schedule "C", effect payment in the form of advances to be applied to its share of the eligible costs of the program. A contribution in the form of an advance of \$50,000,000 would thus be payable on or before March 31, 1978, and a further contribution in the form of an advance limited to \$40,000,000 on or before March 31, 1979.
- (3) Quebec shall maintain an accounting of such payments and shall submit to Canada once a year, an itemized statement of the expenditures in such manner and form mutually agreed upon, to the satisfaction of the Federal Minister.
- (4) At the latest one year after the termination date of the construction, any discrepancy between the amounts paid by Canada and the amounts actually payable shall be adjusted by Canada and Quebec.
12. All payments made to Quebec and Canada pursuant to section 11 shall be paid to the Consolidated Fund of Quebec.

13. Quebec shall ensure that accurate accounts and records relating to the program are maintained and undertakes to provide Canada, upon request, with all accounts and records necessary for the auditing of claims relating to the program undertaken under this Agreement.
14. The contribution of Canada and of Quebec for each fiscal year is, for the purposes of this Agreement, conditional on funds being made available by the Parliament of Canada and by the Quebec National Assembly.

EVALUATION

15. In accordance with the provisions of subsection 6.5 of the General Agreement, the impact of the program and the projects shall be evaluated according to the criteria established by the Development Committee, in the year following the signing of this Agreement.

GENERAL PROVISIONS

16. Canada and Quebec undertake to co-operate on the development and implementation of a public information program on the program covered by this Agreement.
17. No member of the House of Commons or of the Quebec National Assembly shall be admitted to any share or part of any contract, agreement, commission or benefit relating to or arising out of this subsidiary agreement.
18. The party responsible for the implementation of a project shall indemnify and save harmless the other party, its officers and agents, against all claims and demands of third parties in any way arising out of the implementation of such program or projects.
19. All construction carried out within the framework of the implementation of the program or projects will be undertaken in accordance with the labour standards agreed upon by Canada and Quebec.
20. All contracts relating to the implementation of the program shall be awarded without discrimination by reason of sex, age, marital status, race, ethnic origin, religion or political affiliation.
21. Canadian materials and Canadian professional services shall be used in respect of all projects to the extent that they are available and consistent with proper economy and the expeditious performance of the program or projects.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Honourable Marcel Lessard, Minister of Regional Economic Expansion and the Honourable Marc Lalonde, Minister of State for Federal-Provincial Relations, and on behalf of Quebec by the Honourable Claude Morin, Minister of Intergovernmental Affairs, and the Honourable Jacques Léonard, Minister responsible for the Quebec Planning and Development Bureau, on the above-mentioned day and year.

IN THE PRESENCE OF:

SIGNED ON BEHALF OF CANADA

Witness

Marc Lalonde
Minister of State in charge
of Federal-Provincial
Relations

Witness

Marcel Lessard
Minister of Regional Economic
Expansion

IN THE PRESENCE OF:

SIGNED ON BEHALF OF QUEBEC

Witness

Claude Morin
Minister of Intergovernmental
Affairs

Witness

Jacques Léonard
Minister responsible for the
Quebec Planning and Develop-
ment Bureau

SUBSIDIARY AGREEMENT
ON WATER TREATMENT FACILITIES FOR
THE MONTREAL AREA

SCHEDULE "A"

INTRODUCTION

The purpose of this Schedule is to describe briefly the problems and the objectives which set the terms of this subsidiary Agreement between the Government of Canada and that of Quebec.

PROBLEMS AND OBJECTIVES

Quebec's Environmental Protection Service has created a program to treat the waste water of major urban areas in Quebec. Within this program, priority has been given to the Montreal area.

In view of the importance of the Montreal area, its large population, and its geographical location upstream of other major sources of pollution, it is mandatory that the water treatment program for this area be implemented promptly.

The following principal reasons militate in favour of the immediate commencement of the project:

1. The Montreal area is the largest source of water pollution in Quebec.
2. Studies of the St. Lawrence show that effluents from the Montreal area have a major impact on the quality of the river's water because of the large quantities of nutrients and toxic metals contained therein.
3. The industrial de-pollution programs would be seriously endangered if Montreal's water purification program had to be delayed considerably. Provisions concerning liquid effluents involve an investment of \$88 million between now and 1979 by oil refineries in order to meet regulatory requirements.
4. It is necessary to ensure that the population of the Montreal area has a supply of drinking water of the highest quality.
5. It is necessary to ensure that the present and future metropolitan population can make use of the Rivière-des-Prairies, the Rivière des Mille-Iles and Lake St. Louis for recreational purposes.

6. The development of the river corridor and more particularly the authorization to develop Ste. Therese Island as an urban recreation and resort park requires the treatment of sewage flowing into the river upstream of the island.
7. Experts of the Montreal Urban Community estimate that 2,400 direct and indirect jobs would be created by the construction phase of the purification program, estimated in 1977 at \$1.2 billion, between now and 1985.

Works of about \$300,000,000 have already been authorized under the initial phase of the program of water treatment in the Montreal area. To start and step up the implementation of subsequent phases, both governments have agreed to participate in the financing of the programs under which the various elements described in Schedule "B" will be completed.

In addition to the participation of the Montreal Urban Community in this program, other infrastructures for waste water treatment in the Montreal area may be approved by the Ministers and be a part of Phase II of this Agreement.

SUBSIDIARY AGREEMENT ON WATER TREATMENT
FACILITIES FOR THE MONTREAL AREA

SCHEDULE "B"

DESCRIPTION OF THE PROJECTS

(In \$'000)
BREAKDOWN OF COSTS
(Canada 60% / Quebec 40%)

	<u>ESTIMATED OVERALL COST</u>	<u>CANADA DREE</u>	<u>QUEBEC OPDQ</u>
<u>Phase I</u>	110,000	66,000	44,000
One, or a combination, of the following:			
- Completion of the North main sewer			
- Pumping station			
- Pre-treatment plant			
- Drainage Channel No. 1			
 <u>Phase II</u>	 90,000	 54,000	 36,000
Other infrastructures to treat waste water of the Montreal area.			
 TOTAL:	 <u>200,000</u>	 <u>120,000</u>	 <u>80,000</u>

APPROVED BY THE DEVELOPMENT COMMITTEE OF THE CANADA-QUEBEC GENERAL AGREEMENT

For Canada

For Quebec

 Marcel Lessard
 Minister of Regional Economic Expansion

March 30, 1978
Date

 Jacques Léonard
 Minister responsible for the
 Quebec Planning and Development
 Bureau

March 30, 1978
Date

SUBSIDIARY AGREEMENT
ON WATER TREATMENT FACILITIES FOR
THE MONTREAL AREA

SCHEDULE "C"

PAYMENT PROCEDURES AND CONDITIONS FOR
CONTRIBUTIONS IN THE FORM OF ADVANCES

The contribution of \$50,000,000 in the form of an advance shall be made when the Government of Quebec has presented a written undertaking to complete the construction under Phase I. The Department will require proof by way of written documents that all the contracts relating to the construction of Phase I have been awarded and that actual expenditures have exceeded the contribution by the Department, before paying in 1980-81 the balance of its contribution, \$16,000,000.

Similar conditions and procedures shall govern for payments in respect to Phase II, namely a maximum contribution in the form of an advance of \$40,000,000 in 1978-79 and the payment of the balance of \$14,000,000 in 1980-81. The budget advance for Phase II will only be made when the Government of Quebec has undertaken, to the satisfaction of the Minister of Regional Economic Expansion, to complete substantial construction under the program of this Agreement, representing an overall investment of not less than \$90,000,000, excluding any contribution provided by other Federal programs.

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