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Subsidiary
Development



Regional
Economic
Expansion

Expansion
Économique
Régionale

GROS MORNE PARK AREA
DEVELOPMENT

CANADA/ NEWFOUNDLAND



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subsidiary agreement



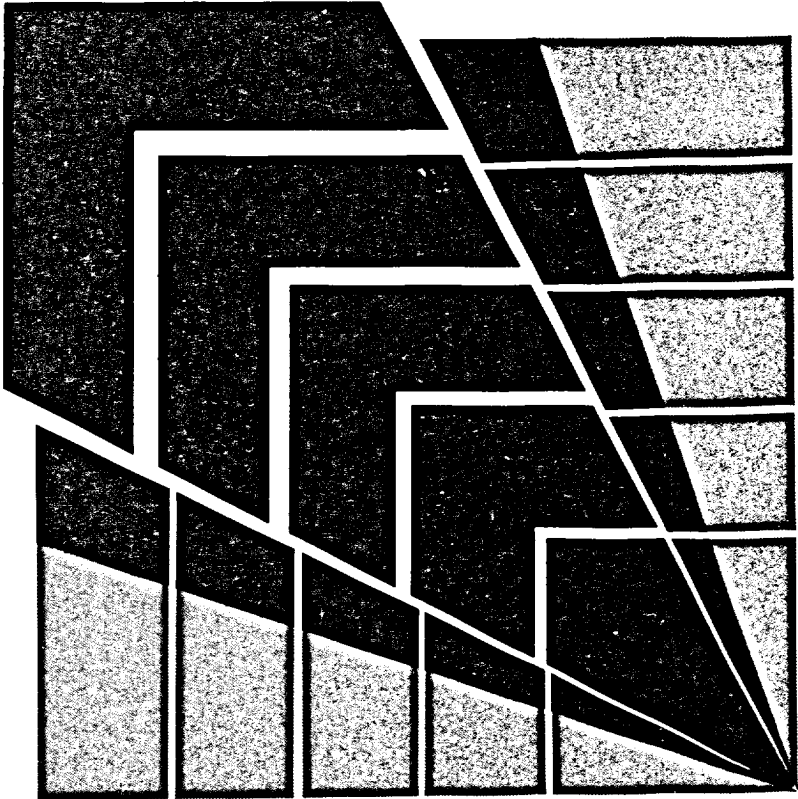
Regional
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GROS MORNE PARK AREA DEVELOPMENT

CANADA/ NEWFOUNDLAND



MAY 28, 1974

Canada. DREE.

CANADA-NEWFOUNDLAND SUBSIDIARY AGREEMENT
GROS MORNE PARK AREA DEVELOPMENT

THIS AGREEMENT made this 28th day of May, 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 Forestry and
Agriculture,

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 tourism industry; and whereas opportunities have been identified for increased employment and earned income for residents along the Great Northern Peninsula resulting from the creation of the Gros Morne Park;

AND WHEREAS Canada and the Province have agreed that public investments will be required to assist in the realization of these opportunities;

AND WHEREAS the Governor in Council by Order in Council P.C. 1974-1172 of the 17th day of May, 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. 538-'74 of the 1st day of May, 1974, has authorized the Minister of Forestry and Agriculture 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 1st of any year and terminating March 31st of the immediately following year;
 - (d) "infrastructure" means physical facilities defined by the Management Committee as being components of the program items specified in this Agreement and shall include, without limiting the generality of the foregoing, roads, bridges, and water and sewer systems;
 - (e) "Management Committee" means the committee referred to in section 5(3);
 - (f) "Ministers" means the Federal Minister and the Provincial Minister;
 - (g) "programs" means the subject matter specified in section 3;
 - (h) "project" means a subdivision of a program as set out in Schedule "A";
 - (i) "Provincial Minister" means the Minister of Forestry and Agriculture 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 take advantage of opportunities for increasing employment and earned income of residents along the Great Northern Peninsula of Newfoundland associated with the development of the Gros Morne Park.

SUBJECT MATTER

3. 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 programs:

- i) Planning Studies and Development Programs,
- ii) Community Infrastructure,
- iii) Road Construction,
- iv) Technical Supervision and Related Expenses,
- v) Evaluation.

FINANCIAL PROVISIONS

- 4(1) The eligible costs to be financed or shared under this Agreement by Canada in respect of the infrastructure components of the programs outlined in section 3 shall consist of 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 program by the Province; plus ten per cent (10%) of these costs as an allowance towards the exclusions specified;
- (2) With respect to all other components of the programs listed in section 3, the eligible costs to be financed or shared under this Agreement by Canada shall consist of:
- (a) For staff employed on a full-time basis as determined by the Management Committee, gross salaries and wages and the employer's share of contributions for Canada Pension Plan and Unemployment Insurance as well as reasonable travel and relocation expenses incurred in accordance with applicable Provincial travel and relocation policies and directives but shall be limited to costs that are incremental to the Province for such activities under this Agreement, and that are in addition to such staff, services and facilities as are normally available or already in existence within the Province, and shall not include costs for accommodation in provincial buildings or costs for provincial telephone and utilities systems and services or other similar costs; and
 - (b) The costs of external services obtained pursuant to section 8(1), and other specific direct costs as approved by the Management Committee.
- (3) If, at any stage of a project, it appears to the Province that

the costs thereof will exceed the estimated costs 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.
- (5) Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement shall not exceed 90 per cent of the total eligible costs up to an amount of \$13,625,100.

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 whose function it shall be to oversee the implementation of the programs specified in section 3, define infrastructure components and projects for the purposes of this Agreement and to fulfil 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 this Agreement, the effectiveness to date of the programs and projects in achieving the objectives intended and the continuing relevance of the objectives themselves together with the projected budget required for the subsequent fiscal year.
- (3) 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 section 6(2), 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.
- (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 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 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.
- (4) Payment of claims under sections 6(1) and 6(2) shall be augmented by ten per cent (10%) for infrastructure projects as provided for in sub-section 4(1).

TENDERS AND CONTRACT AWARDS

7. (a) Unless the Management Committee otherwise agrees, all construction, purchase and other contracts shall be let pursuant to tenders invited by public advertisement;
- (b) 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;
- (c) all contracts shall be awarded to the responsible and responsive tenderer who submitted the lowest evaluated bid, unless otherwise agreed by the Management Committee;
- (d) 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;
- (e) all announcements of contract awards shall be made jointly by Canada and the Province.

IMPLEMENTATION

- 8(1) (a) All substantive amendments to contracts shall require the prior approval of the Management Committee;
- (b) 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;

- (c) 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.
- (2) Contracts and purchases made and work done prior to the date of this Agreement and after June 1st, 1973, in respect of projects 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

9. Canada and the Province agree to cooperate 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:
- (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).

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

- 10(1) No project shall be approved after March 31, 1978 under this Agreement 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, 1979.
- (2) The terms and conditions of the General Development Agreement apply to this Agreement.

- (3) The Management Committee shall provide to the Joint Federal-Provincial Manpower Needs Committee (Newfoundland), information relevant to projecting labour requirements; and Canada and the Province agree to provide for the required quantity and type of training through federal, provincial and federal-provincial programs necessary for the execution of this Agreement.

EVALUATION

11. 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

12. This Agreement, and Schedule "A" thereof, may be amended as agreed from time to time by the Ministers, any relevant amendments to be made by the two Ministers in writing. Each project 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 4(5) 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 Forestry and Agriculture.

GOVERNMENT OF CANADA

Witness

Minister of
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE
OF NEWFOUNDLAND

Witness

Minister of
Forestry and Agriculture

SCHEDULE "A"

Project Description	Estimated Total Cost (\$'000)	Federal Share Including (a) Direct Cost (b) 10% Allowance (where (\$'000) applicable)
I. Planning Studies and Development Programs		
1. Studies Related to Tourism Development	100.0	90.0
2. Regional Planning and Land Use Study (Deer Lake to Park Boundary)	70.0	63.0
3. Development Program for Inshore Sports Fishing	300.0	270.0
II. Community Infrastructure		
1. Rocky Harbour Water and Sewer Systems	3,630.0	3,267.0
2. Rocky Harbour Residential Lots (50 serviced lots)	198.0	178.2
3. Norris Point/Neddy Harbour Water and Sewer Systems	1,760.0	1,584.0
4. Norris Point Residential Lots (25 serviced lots)	110.0	99.0
5. Cow Head/St. Paul's Water and Sewer Systems	1,320.0	1,188.0
6. Cow Head Residential Lots (20 serviced lots)	77.0	69.3
7. Trout River Water and Sewer Systems	880.0	792.0
8. Wood Point Water Extension and Sewer Systems	440.0	396.0

Project Description	Estimated Total Cost (\$'000)	Federal Share Including	
		(a) Direct Cost	(b) 10% Allowance (where (\$'000) applicable)
9. Solid Waste Disposal Study and Construction (all enclaves)	253.0	227.7	
III. Road Construction			
1. Access Roads from Highway 73 to Rocky Harbour and Norris Point (approximately 2 miles)	495.0	445.0	
2. Highway 73 Reconstruction (approximately 8 miles from St. Paul's to Shallow Bay)	2,090.0	1,881.0	
3. Route 44 - Upgrading (approximately 0.7 miles Woody Point to Park Boundary)	121.0	108.9	
4. Route 44 - Upgrading (approximately 1.2 miles from Park Boundary to Trout River)	220.0	198.0	
5. Road Reconstruction (approximately 10 miles - Norris Point to Neddy's Harbour)	2,530.0	2,277.0	
6. Bridges (Glenburnie to Woody Point)	385.0	346.5	
IV. Technical Supervision and Related Expenses	130.0	117.0	
V. Evaluation - Impact Studies	30.0	27.0	
	<u>15,139.0</u>	<u>13,625.1</u>	

