

QUEEN
HC
117
.N45
S82
1974

subsidiary
agreement

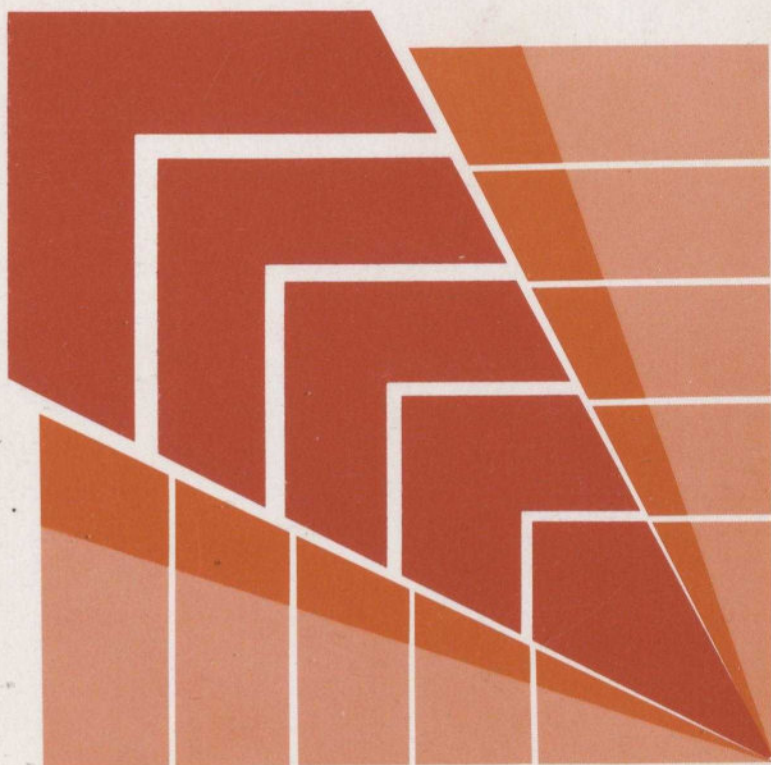


Regional
Economic
Expansion

Expansion
Économique
Régionale

HIGHWAYS

CANADA/ NEWFOUNDLAND



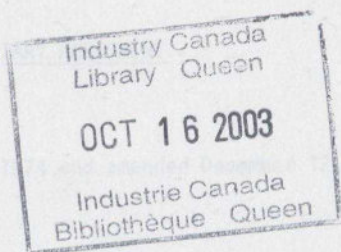
MAY 28, 1974

subsidiary
agreement



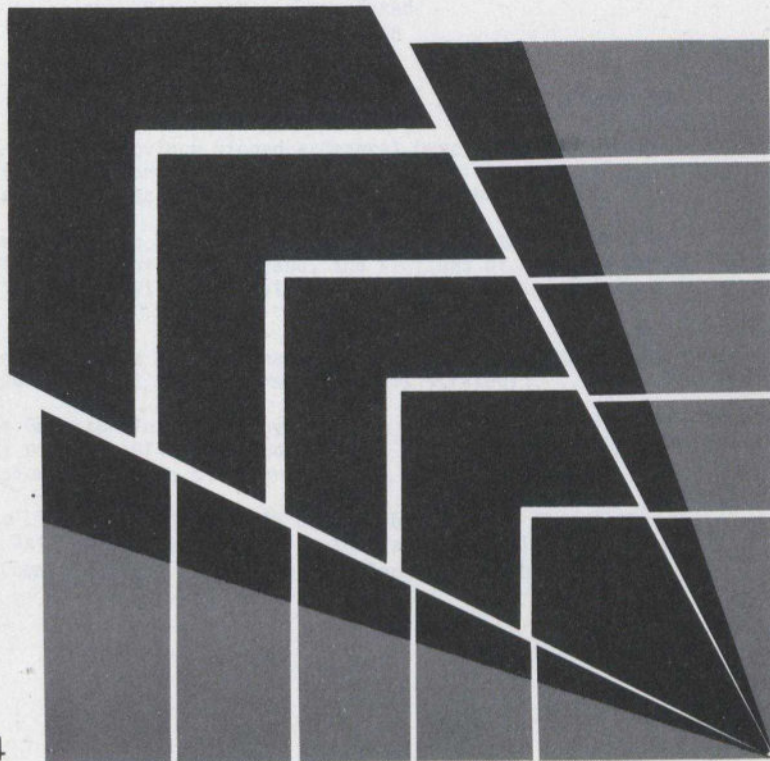
Regional
Economic
Expansion

Expansion
Économique
Régionale



HIGHWAYS

CANADA/ NEWFOUNDLAND



MAY 28, 1974

CANADA-NEWFOUNDLAND SUBSIDIARY AGREEMENT

ON HIGHWAYS

THIS AGREEMENT made this 28th day of May, 1974 and amended December 12, 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 Transportation
and Communications,

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 economic development of Newfoundland, the sections of highways listed in Schedule "A" attached will be constructed on the basis 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 P.C. 1974-1170 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. 536-'74 of the 1st day of May, 1974 has authorized the Minister of Transportation and Communications 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) "Management Committee" means the Committee referred to in section 7;
 - (e) "Ministers" means the Federal Minister and the Provincial Minister;
 - (f) "project" means a project for construction of a highway listed in Schedule "A";
 - (g) "Provincial Minister" means the Minister of Transportation and Communications 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 make highway investments required to improve the economic and socio-economic development of Newfoundland pursuant to the objectives stated in the GDA.

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:
 - i) Burgeo Road, construction and upgrading;
 - ii) St. Lawrence to Lawn, paving;
 - iii) Bay D'Espoir Highway, upgrading and construction;
 - iv) Northern Peninsula Highway, reconstruction, grading and paving;
 - v) La Scie Road, upgrading and granular.

FINANCIAL PROVISIONS

4. Subject to section 5, 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" shall consist of:

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.
5. (1) Unless otherwise agreed by the Ministers, the eligible costs of each program item shall be limited to the estimated costs specified in Schedule "A".

(2) The 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 program, 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 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 shall not exceed 90 per cent of the total eligible costs up to an amount of \$12,478,000.

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 oversee the implementation of the projects specified in section 3, 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.
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 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.
 - (2) 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.
 - (3) Payment of claims under section 9 and sub-sections 10(1) and (2) shall be augmented by ten per cent (10%) for the projects as provided for in section 4.

TENDERS AND CONTRACT AWARDS

11. (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 announcements of contract awards shall be made jointly by Canada and the Province.

CONSTRUCTION AND IMPLEMENTATION

- 12. (a) All 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.
13. Contracts and purchases made and work done prior to the date of this Agreement and after December 31, 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

14. 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).
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. No project shall be approved after March 31, 1975 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, 1976.

The terms and conditions of the General Development Agreement apply to this Agreement.

EVALUATION

17. During this Agreement, Canada and the Province shall jointly effect a continuing assessment of the projects listed in Schedule "A" with regard to the stated objectives. A progress report shall be submitted by the Management Committee to the Ministers on or before the annual meeting of the Ministers as prescribed under sub-section 9.1 and section 10 of the GDA.
18. This Agreement, and Schedule "A" thereof, may be amended from time to time by the Ministers in writing. 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 Transportation and Communications.

GOVERNMENT OF CANADA

Witness

Minister of
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE
OF NEWFOUNDLAND

Witness

Minister of
Transportation and Communications

SCHEDULE "A"

Project Description	Estimated Total Cost	Federal Share Including (a) Direct Cost (b) 10% Allowance
	(\$'000)	(\$'000)
1. <u>Burgeo Road</u>	2,043	1,839
Classification - RCU 40		
a) New construction of 10 Mi. of the road from Burgeo to the T.C.H., Mile 16.3 to 26.3		
b) Upgrading of access road to connect highway with road system in Burgeo, approximately 1 Mi., including relocation of one dwelling from the new right-of-way.		
c) Bridges at: I. Seal Cove Brook and II. Dry Pond Brook, Designs HS 20 for RCU 50, each 100' span.		
2. <u>St. Lawrence to Lawn</u>	991	892
Classification - RCU 40		
Application of granular material and paving of the road from St. Lawrence to Lawn, 8.5 Mi. Note: Base course pavement only.		

