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Regional
Economic
Expansion
Agreement



Regional
Economic
Expansion

Expansion
Économique
Régionale

HIGHWAYS 1975-76

CANADA/NEWFOUNDLAND



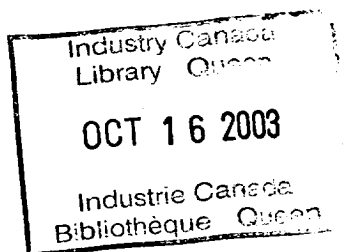
MAY 28, 1975

subsidiary agreement



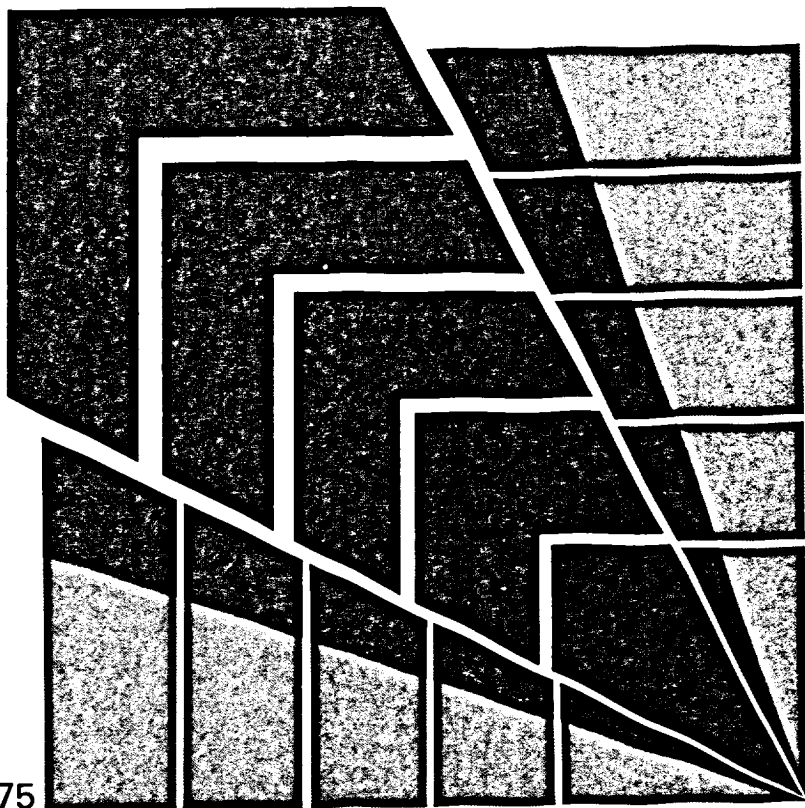
Regional
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HIGHWAYS 1975-76

CANADA/NEWFOUNDLAND



MAY 28, 1975

CANADA-NEWFOUNDLAND SUBSIDIARY AGREEMENT

HIGHWAYS 1975-76

THIS AGREEMENT made this 28th day of May, 1975

BETWEEN:

THE GOVERNMENT OF CANADA
(hereinafter referred to as "Canada"),
represented herein 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 socioeconomic development of the Province, 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. 1975-10/1174 of the 27th day of May 1975 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. 568-75 of the 27th day of May 1975, 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 of this Agreement;
 - (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 on March 31st of the immediately following year;
 - (d) "Management Committee" means the Committee referred to in section 7 of this Agreement;
 - (e) "Ministers" means the Federal Minister and the Provincial Minister;
 - (f) "project" means a project for construction of a highway listed in Schedule "A" of this Agreement; and
 - (g) "Provincial Minister" means the Minister of Transportation and Communications of Newfoundland and includes anyone authorized to act on his behalf.

OBJECTIVES

2. To provide access to identified and potential resource development opportunities, and to reduce constraints on the realization of other socioeconomic development opportunities by selected improvements in those elements of the transportation system set forth in Schedule "A" of this Agreement.

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:
 - (a) Burgeo Road, new construction and upgrading;

- (b) Bonavista North Loop, reconstruction and paving;
- (c) Northern Peninsula Highway, reconstruction and paving;
- (d) Bay D'Espoir Highway, reconstruction and paving;
- (e) Baie-Verte-La Scie, reconstruction.

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 projects by the Province; plus ten per cent (10%) of the direct costs as an allowance towards the exclusions specified.
5. (1) 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.
- (2) 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 increase.
- (3) Upon being informed, the Management Committee shall consider the circumstances which have contributed to the increase in the estimated costs and may transfer surplus funds from one item to another within Schedule "A".
6. Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement with respect to the project items listed in Schedule "A" shall not exceed ninety per cent (90%), up to the amount of \$20 000 000, of the total eligible costs.

ADMINISTRATION AND MANAGEMENT

7. 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 fulfill 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-chairmen.

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 one hundred 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.
 - (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 actually paid by the Province shall be promptly adjusted between Canada and the Province.
 - (3) Payment of claims under sections 9 and 10 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 tender, 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; and
- (e) all announcements of contract awards shall be made jointly by Canada and the Province.

IMPLEMENTATION

- 12. (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; and
 - (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. Subject to the approval of the Federal Minister, on the recommendation of the Management Committee, costs incurred in respect of projects listed in Schedule "A" are also eligible if incurred after March 31, 1975, and prior to the effective date of this Agreement.

PUBLIC INFORMATION

- 14. (a) Canada is responsible for supplying throughout the period that work is in progress, a sign or signs, as appropriate in the opinion of Canada, indicating that the project is undertaken and financed in accordance with the terms of this Agreement, and reserves the right to provide and install on completion of the work, wherever suitable, a permanent plaque bearing an inscription to the like effect;
- (b) the Province is responsible for the installation, the maintenance and, at the completion of the project, the removal of any signs; and

- (c) Canada and the Province agree to co-operate in the development and implementation of a public information program, that provides to the federal and provincial governments appropriate credit and recognition respecting the implementation of projects under this Agreement.
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. This Agreement shall terminate on March 31, 1976, except that approved projects may be completed after the termination date; however, Canada shall not pay any claim received after March 31, 1977.
17. The terms and conditions of the General Development Agreement shall apply to this Agreement.
18. The provisions of the Labour Standards Arrangement proposed by the Federal Department of Labour in 1970 shall be applicable to this Agreement, it being understood and agreed that, to the extent that there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply. In the aforesaid Labour Standards Arrangement, the following provisions are regarded as minimum requirements:
- (a) rates of pay prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;
 - (b) in road and heavy construction, 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 50 per week; and
 - (c) labour conditions to be specified in all tendering documents and to be posted conspicuously in the work place.

EVALUATION

19. 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 subsection 9.1 and section 10 of the GDA.

AMENDMENTS

20. This Agreement, and Schedule "A" thereof, may be amended as agreed from time to time by the Ministers, and relevant amendments to be made by an exchange of correspondence between the two Ministers. 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.

In the Presence of:

GOVERNMENT OF CANADA

Witness

Minister of
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE OF
NEWFUNDLAND

Witness

Minister of
Transportation and Communications

Minister for
Intergovernmental Affairs

CANADA-NEWFOUNDLAND
SUBSIDIARY AGREEMENT
HIGHWAYS 1975-76

SCHEDULE "A"

Project Description	Estimated Total Cost (\$'000)	Federal Share Including (a) Direct Cost (b) 10% Allowance (\$'000)
1. <u>BURGEO ROAD</u>		
Classification - RCU 40 alignment	3 200	2 880
(a) New construction, Burgeo North toward Trans Canada Highway, Mile 26.3-36.3 (\$2 400 000)		
(b) Structures		
Bridge at Top Pond Brook (\$300 000)		
Bridge at Portage Lake Brook (\$300 000)		
Bridge at District Brook (\$200 000)		
2. <u>BONAVISTA NORTH LOOP ROAD</u>	3 492	3 143
Classification RCU 50 alignment RCU 40 cross-section		
(a) Reconstruction, Gander Bay area (Carmanville) to Wesleyville, 10 miles (\$1 742 000)		
(b) Reconstruction, Lockyers Bay to Wesleyville, 5 miles (\$1 100 000)		
(c) Structures		
Bridge at Indian Bay (\$200 000)		
Bridge at Main Point (\$ 60 000)		
Bridge at Ragged Harbour (\$240 000)		
Two bridges at Trinity (\$150 000)		
S.W. Brook		
N.W. Brook		

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SCHEDULE "A"

Project Description	Estimated Total Cost (\$'000)	Federal Cost Including (a) Direct Cost (b) 10% Allowance (\$'000)
3. <u>NORTHERN PENINSULA HIGHWAY</u>	10 530	9 477
Classification - RCU 50 alignment RCU 40 cross-section		
(a) Paving, Daniel's Harbour to River of Ponds (21 miles) and paving access road to Daniel's Harbour Mine (\$2 800 000)		
(b) New construction and reconstruction, River of Ponds to Hawke's Bay, 13.4 miles (\$2 500 000)		
(c) Bridge, River of Ponds (\$ 450 000)		
(d) Reconstruction and paving, northern boundary Gros Morne Park to Daniel's Harbour 10 miles (\$1 200 000)		
(e) Reconstruction, St. Anthony towards airport, Mile 3-10 (\$2 000 000)		
(f) Reconstruction, Plum Point toward Flower's Cove, Mile 7-13.8 (\$1 000 000)		
(g) Balance of construction program - bridges Bridge at St. Genevieve (\$300 000) Bridge at Parkers Brook (\$180 000) Bridge at Bartlett's Brook (\$100 000)		

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SCHEDULE "A"

<u>Project Description</u>	<u>Estimated Total Cost (\$'000)</u>	<u>Federal Share Including (a) Direct Cost (b) 10% Allowance (\$'000)</u>
4. <u>BAY D'ESPOIR HIGHWAY</u>	3 000	2 700
Classification - RCU 50 alignment RCU 40 cross-section		
(a) Reconstruction, Mile 63-71 (\$1 500 000)		
(b) Paving, Mile 42-63 (\$1 500 000)		
5. <u>BAIE-VERTE-LA SCIE</u>	2 000	1 800
Classification RCU 50 alignment RCU 40 cross-section		
Reconstruction, Mile 11-33 (\$2 000 000)		
 TOTALS	 \$22 222	 \$20 000

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