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Subsidiary
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Regional
Economic
Expansion

Expansion
Économique
Régionale

CANADA/NEWFOUNDLAND
PLANNING



JUNE 22, 1976

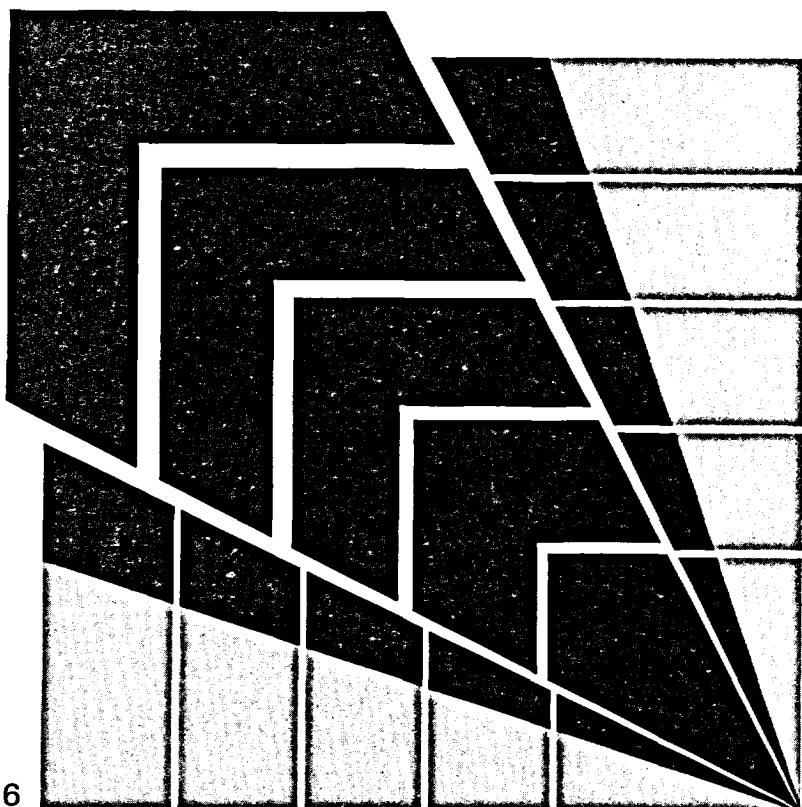
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JUNE 22, 1976

CANADA-NEWFOUNDLAND
SUBSIDIARY AGREEMENT FOR PLANNING

THIS AGREEMENT made this 22nd day of June, 1976

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 for Intergovernmental Affairs,

OF THE SECOND PART.

WHEREAS Canada and the Province signed a General Development Agreement dated February 1, 1974 (hereinafter referred to as "the GDA"), to achieve the objectives set forth in section 3 thereof;

AND WHEREAS in pursuit of these objectives, Canada and the Province have agreed to seek to achieve a coordinated application of relevant federal and provincial policies and programs through the process of analyzing and reviewing the economic and social circumstances of Newfoundland and Newfoundland's relationship to the regional and national economy, and of identifying developmental opportunities and assisting in their realization;

AND WHEREAS Canada and the Province have agreed that additional resources are required to facilitate a process of identifying, analyzing, developing and implementing joint economic and socioeconomic development opportunities;

AND WHEREAS Canada and the Province are prepared to contribute funds to provide for these resources on the terms and conditions set out in the Agreement for the purpose of enabling a more effective joint process;

AND WHEREAS the Governor in Council by Order in Council P.C. 1976-6/901 of the 13th day of April, 1976, 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. 321-76 of the 22nd day of March, 1976, has authorized the Minister for Intergovernmental Affairs to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto agree as follows:

DEFINITIONS

1. In this Agreement:

- (a) "activity" means a specific, clearly definable unit of work undertaken in pursuit of the identification, analysis, development and implementation of economic and socioeconomic opportunities;
- (b) "external staff" means professional and other staff who are not employees of Canada or the Province but who enter into a contract with the Province by which they agree to undertake or participate in work related to the identification, analysis, development and implementation of economic and socioeconomic opportunities;
- (c) "external services" means services and facilities that are required from outside the federal government and provincial government in support of an activity under this Agreement and includes accommodation, office and support services and professional services;
- (d) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
- (e) "fiscal year" means the period commencing on April 1st of any calendar year and terminating on March 31st of the immediately following calendar year;
- (f) "Management Committee" means the officials designated pursuant to section 5;
- (g) "Ministers" means the Federal Minister and the Provincial Minister; and
- (h) "Provincial Minister" means the Minister for Intergovernmental Affairs and includes anyone authorized to act on his behalf.

PURPOSE AND OBJECTIVE

2. (1) The objective of this Agreement is to provide a capability for the undertaking of studies and the carrying on of such planning as is required to identify and analyze economic and socioeconomic development opportunities in Newfoundland and to develop and implement strategies, programs and subsidiary agreements pursuant to those opportunities.
- (2) Pursuant to the objective stated in subsection 2 (1), and subject to the terms and conditions of this Agreement, contributions may be made for the purpose of:
 - (a) acquiring external staff and services; and
 - (b) covering the costs of provincial staff.

SUBJECT MATTER

3. (1) Subject to subsection 3 (2), it is mutually agreed that the Province shall assign, engage or acquire the staff and services referred to in section 2, and that such staff or services may be engaged or acquired by such provincial department or agency as may be appropriate having regard to the subject matter of the work being undertaken.
- (2) All activity to be undertaken under this Agreement shall be jointly approved by Canada and the Province through the Management Committee before being implemented and shall be consistent with the objectives and intent stated herein.
- (3) Each activity to be undertaken under this Agreement shall be described in an appropriate document in sufficient detail to allow proper consideration by the Management Committee.

FINANCIAL PROVISIONS

4. (1) The total shareable cost of acquiring provincial staff under paragraph 2 (2) (b) shall not exceed \$1 585 000 over the period April 1, 1976, to March 31, 1979, of which Canada shall make contributions on a declining cost-shared basis of ninety per cent (90%) in the first year, seventy-five per cent (75%) in the second year, and fifty per cent (50%) in the third year to an amount not exceeding \$960 000.
- (2) For costs incurred for jointly approved activities under paragraph 2 (2) (a) during the term of this Agreement, Canada shall contribute ninety per cent (90%) and the Province ten

per cent (10%) in the period April 1, 1976, to March 31, 1979. In the remaining two fiscal years, Canada shall contribute fifty per cent (50%) and the Province fifty per cent (50%).

- (3) Eligible costs shall consist of costs incurred pursuant to activities undertaken in respect of section 2, as determined by the Management Committee and may, subject to subsection 4 (5), include:
 - (a) the costs incurred pursuant to paragraph 2 (2) (a) as approved by the Management Committee, and
 - (b) expenditures for gross salaries and eligible benefits to provincial staff pursuant to paragraph 2 (2) (b) as approved by the Management Committee.
- (4) Notwithstanding anything in this Agreement, Canada's total contribution towards costs incurred shall not exceed \$4 000 000 over the term of this Agreement.
- (5) Eligible benefits under paragraph 4 (3) (b) mean the employer's share of contributions for Canada Pension Plan and Unemployment Insurance. These benefits also include reasonable travel and removal expenses incurred in connection with activities pursuant to section 2 in accordance with applicable provincial regulations.

ADMINISTRATION AND MANAGEMENT

5. (1) Each of the Ministers shall designate a senior official to be responsible for the administration of this Agreement. These officials shall be co-chairmen of the Management Committee and shall be empowered to add from time to time, as may be appropriate, other members representing federal and provincial government departments and agencies. In the event of any disagreement in the Management Committee, the relevant matter shall be referred to the Ministers whose decision shall be final.
- (2) The Management Committee shall be responsible for:
 - (a) the general administration of this Agreement;
 - (b) carrying out any duties specified elsewhere in this Agreement;
 - (c) establishing such procedures as are considered essential for the administration of this Agreement; and

- (d) approving activities to be undertaken under this Agreement.

CONTRACT PROCEDURES

- 6. (1) All contracts for approved activities shall be awarded in accordance with procedures to be approved by the Management Committee, and, unless in its opinion it is impractical to do so, shall be awarded to the qualified and responsible tenderer submitting the lowest evaluated bid.
- (2) All awards of such contracts shall require the prior approval of the Management Committee.
- (3) All contracts under this Agreement 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.
- (4) In the awarding of contracts pursuant to the recommendation of the Management Committee, the Province shall retain the services of Canadian firms or individuals where practical and consistent with economy and efficiency.

PAYMENT PROCEDURES

- 7. (1) Subject to subsection 7 (2), payment by Canada shall be made promptly to the Province on the basis of claims setting out the costs actually incurred and paid for approved activities, submitted in a form satisfactory to the Ministers, and certified by a senior officer of the Province.
- (2) In order to assist with interim financing of activities, Canada may, if the Province so requests, make interim payments to the Province of up to one hundred per cent (100%) of Canada's share of claims submitted, based on estimates of costs incurred, as certified by a senior officer of the Province.
- (3) The Province shall account for each interim payment by submitting to Canada a statement of the actual expenditures incurred and paid not later than 120 days from the date of the interim payment, in a form and 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 by Canada and the Province.

GENERAL

8. (1) This Agreement shall commence on April 1, 1976, and terminate on March 31, 1981. Approved projects may be completed after the termination date. However, Canada shall not pay any claim received after March 31, 1982.
- (2) No member of the House of Commons or the Newfoundland House of Assembly shall be admitted to any share or part of any contract, agreement, or commission made pursuant to this Agreement, or to any benefit to arise therefrom.
- (3) In addition to the activities covered under this Agreement, Canada and the Province may independently undertake analyses and studies related to the identification and analysis of developmental opportunities in Newfoundland. The cost of such studies shall be borne by the party undertaking the study and shall not be eligible for cost-sharing under this Agreement.
- (4) With regard to the applicability of labour standards, the parties agree as follows:
- (a) rates of pay shall be those prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;
 - (b) labour conditions shall be specified in all tendering documents and shall be posted conspicuously in the work place;
- it being expressly understood and agreed that to the extent to which there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply.
- (5) 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.
- (6) Any public announcement of the measures covered and of the products generated by this Agreement shall be arranged jointly by the Ministers.
- (7) The Management Committee shall submit, prior to the meeting of the Ministers as specified under subsection 9.1 of the GDA, an assessment of the progress made in implementing the Agreement, the effectiveness to date of the activities 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) This Agreement may be amended from time to time by mutual agreement of the Ministers, expressed in writing, provided, however, that the general nature of this Agreement shall not be changed, and that no amendment to the ratio of cost-sharing as set out in subsections 4 (1) and 4 (2) or maximum levels of funding by Canada as set out in subsection 4 (4) shall be made without the approval of the Governor in Council.

(9) The provisions of the GDA shall apply to this Agreement.

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 for Intergovernmental Affairs.

In the Presence of:

GOVERNMENT OF CANADA

Witness

Minister of
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE OF
NEWFOUNDLAND

Witness

Minister for
Intergovernmental Affairs

