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Subsidiary  
Agreement



Regional  
Economic  
Expansion

Expansion  
Économique  
Régionale

CANADA/ NEW BRUNSWICK

SAINT JOHN AND MONCTON ARTERIAL  
HIGHWAYS



FEBRUARY 17, 1975

subsidiary  
agreement

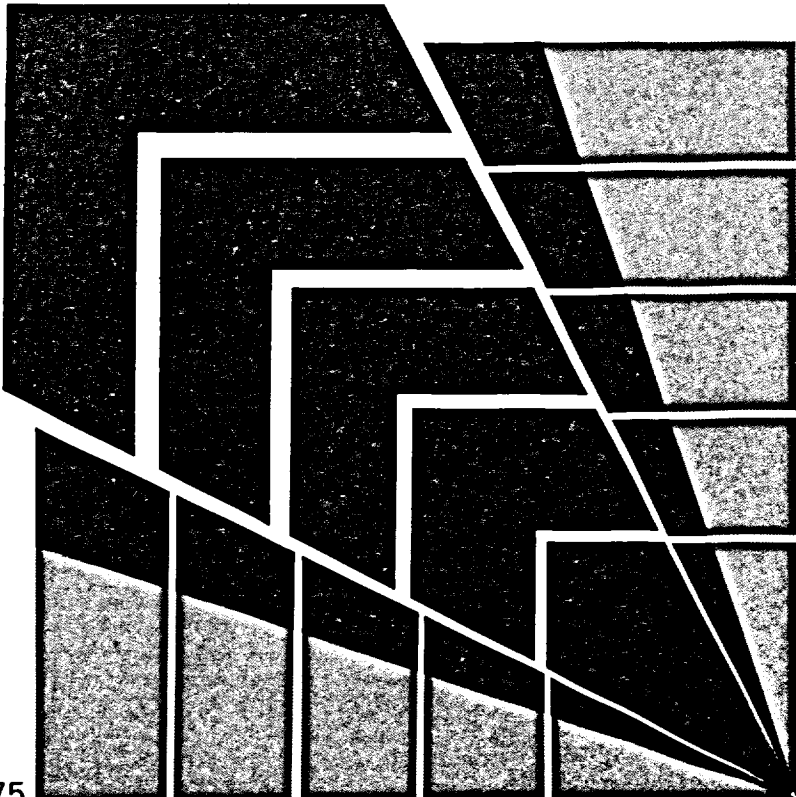


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FEBRUARY 17, 1975

CANADA - NEW BRUNSWICK

SUBSIDIARY AGREEMENT

SAINT JOHN AND MONCTON ARTERIAL HIGHWAYS

THIS AGREEMENT made this 17th day of February, 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 NEW BRUNSWICK (hereinafter referred  
to as "the Province"), represented  
herein by the Premier of New Brunswick,

OF THE SECOND PART.

WHEREAS Canada and the Province signed a General Development Agreement dated April 23, 1974, (hereinafter referred to as "the GDA"), to achieve the objectives stated 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 identifying development opportunities and assisting in their realization through the coordinated and concentrated application of relevant federal and provincial programs, including the provision of specialized measures required for such realization;

AND WHEREAS Canada and the Province have agreed that construction of major urban arterial highways in the Saint John and Moncton Regions are required to assist in the realization of the development potential of these regions and the objectives of the GDA, having due regard to the preservation of environmental quality;

AND WHEREAS Canada and the Province have agreed that the financial assistance provided by Canada by way of this Agreement does not include any commitment by Canada to provide further financial support;

AND WHEREAS the Governor in Council by Order in Council P.C. 1975-15/102 of the 23rd day of January, 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. 75-69 of the 29th day of January, 1975, has authorized the Premier of New Brunswick to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

#### DEFINITIONS

1. In this Agreement:

- (a) "capital project" means any specific project, as determined by the Management Committee, in which construction or activities related to construction are involved;
- (b) "eligible cost" means those costs defined in section 5;
- (c) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
- (d) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
- (e) "initiative" means the subject matter of this Agreement and includes any program, project or other activity designed to implement the objectives of the GDA;
- (f) "Management Committee" means the Committee referred to in section 8;
- (g) "Ministers" means the Federal Minister and the Provincial Minister;
- (h) "program" means a series of specific, related, individual activities;
- (i) "project" means a specific activity forming a self-contained unit within a program; and

- (j) "Provincial Minister" means the Premier of New Brunswick and includes anyone authorized to act on his behalf.

OBJECTIVES, PURPOSE AND SUBJECT MATTER

2. (1) Pursuant to section 3 of the GDA, the objectives of this Agreement are to enable Canada and the Province to jointly undertake programs to finance the construction of the eastern section of the Saint John Throughway, Wheeler Boulevard including related road connections, and the Shediac Highway in support of economic and socioeconomic development of the Metropolitan areas of Saint John and Moncton and the Province of New Brunswick pursuant to the expressed objectives of the GDA.
- (2) Pursuant to the objectives stated in subsection (1), subject to the terms and conditions of this Agreement, contributions may be made for the purposes of undertaking the design and construction of various projects for the eastern section of the Saint John Throughway, Wheeler Boulevard complete with related road connections, and the Shediac Highway. These projects will include structures, grading of interchanges and sections of highway, utility relocations, paving, signing and lighting.
- (3) Schedule "A" attached to and forming part of this Agreement contains details of the programs and projects identified for implementation.
3. (1) The Province shall take over, or arrange to be taken over on completion, each capital project undertaken under this Agreement and shall accept full responsibility for its operation, maintenance and repair, except in cases where other federal-provincial arrangements may apply.
- (2) The Province shall arrange for the takeover and acquisition of all lands and interests in lands that are required for program implementation.
- (3) It is understood and agreed that where a project under this Agreement is to be undertaken by a municipality or other institution or agency under provincial jurisdiction, such arrangements as are necessary with respect to such undertakings shall be the responsibility of the Province.
4. No program or project shall be approved after the expiry date of this Agreement and, unless the Federal Minister otherwise

agrees, no claim made in respect of any program or project or parts thereof under this Agreement shall be paid unless it is received by Canada within one year following the said expiry date.

5. (1) Subject to subsection (3), the eligible costs of capital projects to be financed or shared under this Agreement in respect of the capital projects or portions thereof listed in Schedule "A" are:
  - (a) all direct costs, including those relating to public information that in the opinion of the Management Committee have been reasonably and properly incurred by the Province for the implementation of the capital projects, but excluding administrative, survey, engineering and architecture costs; and
  - (b) ten per cent (10%) of the costs pursuant to paragraph (a) as an allowance towards the exclusions specified therein.
- (2) Subject to subsection (3), the eligible costs of non-capital projects to be financed or shared under this Agreement in respect of the projects or portions thereof listed in Schedule "A" are:
  - (a) all costs reasonably and properly incurred by the Province under all contracts entered into in accordance with this Agreement by the Province with any person or corporation for the acquisition of equipment or the performance of work or services for the execution of the project; and
  - (b) the gross salaries, employer's share of contributions for Canada Pension Plan and Unemployment Insurance, and reasonable travel and removal expenses in accordance with applicable provincial regulations of those provincial employees determined by the Management Committee to be or to have been engaged in the implementation of projects; provided that such costs, as determined by the Management Committee, are incremental to the Province and are in addition to such staff, services and facilities as are normally available or already in existence within the Province, it being expressly understood and agreed that costs for accommodation in provincially-owned buildings and costs for regular provincial telephone and other utility systems and

other services shall be excluded, except as otherwise agreed by the Management Committee.

- (3) The costs to be shared by Canada do not include any costs relating to the acquisition of lands or interests in lands, or costs arising from conditions of acquisition, except where otherwise specified in Schedule "A".
  - (4) Subject to the approval of the Federal Minister, costs incurred on approved programs and projects by either party are eligible if incurred within twelve months prior to the date of this Agreement.
6. Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement, with respect to the programs listed in Schedule "A" shall not exceed seventy per cent (70%) of the total eligible costs up to an amount of \$31,290,000.
7. (1) Unless otherwise agreed by the Ministers, the eligible costs of each program shall be limited to the estimated total costs specified in Schedule "A".
- (2) If, at any stage of a program or 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.
- (3) 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 if adjustments in program costs are required.
8. (1) Canada and the Province shall through the Ministers appoint a Management Committee consisting of an equal number of representatives of each party.
- (2) The Management Committee shall be responsible for the overall management of this Agreement and, in particular, for the following:
- (a) approval of all programs and projects necessary for the implementation of this Agreement;
  - (b) submission for the approval of the Ministers annually, and no later than September 1, of the projected

- budget required for the subsequent fiscal year;
- (c) coordination of all cost-shared programs and projects under this Agreement;
  - (d) modifications necessary in the course of the fiscal year within the annual budget, following its approval by Canada and the Province;
  - (e) reporting to the Ministers its evaluation of the progress of this Agreement and its recommendations with respect to the progress of implementation;
  - (f) establishing at its discretion, in order to facilitate implementation, advisory, coordinating or steering committees consisting of representatives of the departments and agencies of Canada and the Province involved in the implementation of programs and projects under this Agreement;
  - (g) applying the procedures specified in section 11;
  - (h) recommending to the Ministers amendments to be made to this Agreement;
  - (i) performing any other functions that may be assigned to it by the parties hereto; and
  - (j) providing to the officials designated under subsection 9.2 of the GDA such information and advice as they may determine to be necessary for the performance of the functions assigned to them under the GDA by the Ministers designated therein.
- (3) (a) Except as otherwise specified in this Agreement or agreed by the Management Committee, the Province shall be responsible for operational program and project development and, under the overall supervision of the Management Committee, for implementing all cost-shared programs under this Agreement, and shall also ensure the provision of the staff and administrative machinery for the implementation of programs and projects under this Agreement assigned to the Province.
- (b) The Province, through its representation on the Management Committee, shall be responsible for liaison and program coordination between the agencies of the Province administering the programs



included in this Agreement or whose activities affect the implementation of this Agreement.

- (4) The department of Regional Economic Expansion, through its representation on the Management Committee, shall be responsible for liaison and program coordination between the agencies of Canada administering the programs included in this Agreement or whose activities affect the implementation of this Agreement.

#### PAYMENT PROCEDURES

9. Subject to section 10, payments by Canada shall be made promptly to the Province on the basis of provincially audited progress claims setting out the eligible costs incurred and paid for eligible programs and projects, and 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 programs and 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, certified by a senior officer of the Province.  
  
(2) The Province shall account for each interim payment by submitting to Canada, within the quarter following such payment by Canada, a detailed statement of the actual costs 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.
- 10.1 Payment of claims under sections 9 and 10 shall be augmented by ten per cent (10%) for capital projects as provided for in paragraph 5 (1) (b).

#### IMPLEMENTATION PROCEDURES

11. The financing by Canada of the programs and projects listed in Schedule "A" is conditional upon the following procedures being observed in the implementation of each of the programs and projects:

A - Capital Projects (Cost Exceeding \$20,000)

(1) Definition

The Management Committee shall establish a definition of the project for the purpose of identifying the work to be financed.

(2) Tenders and Contract Awards

- (a) Unless the Management Committee otherwise agrees, all construction, purchase and other contracts shall be reviewed by the Management Committee and shall be let pursuant to tenders invited by public advertisement acknowledging the financial participation of the parties hereto;
- (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; and
- (d) all announcements of contract awards shall be made jointly by Canada and the Province.

(3) Construction and Implementation

- (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; 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.

B - Non-capital Projects

(1) Definition

The Management Committee shall establish a definition of the project for the purpose of identifying the work to be financed, outlining the work program, method of implementation, types of services to be employed, equipment and materials required and estimates of cost.

(2) Implementation

- (a) All contracts for professional services in excess of \$25,000 shall be awarded and supervised in accordance with procedures to be established by the Management Committee, unless in its opinion it is impractical to do so;
- (b) reports produced by consultants or resulting from projects under this Agreement shall become the property of both parties hereto; 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.

12. Subject to the express provisions of subsection 5(4), contracts and purchases made and work done prior to the date of this Agreement in respect of projects listed in Schedule "A" may be accepted as complying with the provisions of this Agreement if they are consistent with the provisions of the GDA and if they are approved in writing by the Federal Minister on the recommendation of the Management Committee.

Public Information

13. (1) 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 on the direction of the Management Committee:
- (a) during the course of construction of capital projects, a project sign or signs specifying that the relevant project is a Canada-New Brunswick

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 New Brunswick 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).
- (2) 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.

#### RECORDS AND AUDIT

- 14. Each of the parties hereto shall keep detailed and accurate accounts and records of its expenditures in respect of all programs and projects the cost of which is to be shared between them under this Agreement, and shall make such accounts and records available at all reasonable times for inspection and audit by the other party. Any discrepancy between the amounts paid by either party and the amounts actually payable by it, as disclosed by any such audit, shall be adjusted by means of subsequent progress claims.

#### GENERAL

- 15. (1) The provision of financing by Canada and the Province for the implementation of programs under this Agreement is subject to the Parliament of Canada and the Province having provided funds for such financing for the fiscal year in which such financing is required.
- (2) No member of the House of Commons or of the Legislative Assembly of New Brunswick 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) Any dispute between the parties hereto on any question of law or fact arising out of this Agreement shall be submitted to and determined by the Federal Court of Canada pursuant to the Federal Court Act of Canada.

- (4) Where one party hereto is responsible for the implementation of a cost-shared program or project it shall indemnify and save harmless the other party, its officers, servants and agents, against all claims and demands of third parties in any way arising out of the implementation of such program or project, except as such claims or demands relate to the act or negligence of any officer, employee or agent of the other party.
- (5) This Agreement shall terminate on March 31, 1979.
- (6) Subject to the terms and conditions of section 14 of the GDA, this Agreement may be renewed for any further period agreed upon by the parties hereto, but such renewal shall be subject to the approval of the Governor in Council and Lieutenant Governor in Council.
- (7) The following conditions relevant to employment and the award of contracts shall apply in respect of all programs and projects carried out under this Agreement:
  - (a) recruiting of labour shall be conducted through the Canada Manpower Centres unless the Management Committee considers that this service cannot reasonably be provided;
  - (b) in the employment of persons on a project, there shall be no discrimination by reason of race, sex, age, marital status, national origin, colour, religion or political affiliation; it being agreed, however, that the foregoing shall not prevent the implementation of special measures designed to benefit native people or disadvantaged groups;
  - (c) the provisions of the Labour Standards Arrangement proposed by the Federal Department of Labour in 1970 shall be applicable to this Agreement; and
  - (d) Canadian material and manpower shall be used in respect of all programs and projects to the extent to which it is procurable and consistent with proper economy and the expeditious performance of the initiatives.

#### EVALUATION

16. 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 of the GDA. In addition, Canada and the Province shall also jointly effect an evaluation of all the programs with respect to the general economic and socioeconomic development objectives of this Agreement.

#### AMENDMENTS

17. (1) Substantive changes to this Agreement, and to Schedule "A" thereof, may be effected as agreed from time to time by the Ministers in writing. Each program added to Schedule "A" shall form part of this Agreement as if it had originally been included in this Agreement. It is expressly understood and agreed, however, that any amendment to section 6 shall require the approval of the Governor in Council and Lieutenant Governor in Council.
- (2) Subject to subsection (1), the Management Committee may make adjustments during the fiscal year to the programs in Schedule "A" to this Agreement provided, however, that such adjustments do not increase the total amounts of the Schedule nor conflict with the objectives of 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 Premier of New Brunswick, and the Minister of Highways.

IN THE PRESENCE OF:

GOVERNMENT OF CANADA

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Witness

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Minister of  
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE OF  
NEW BRUNSWICK

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Witness

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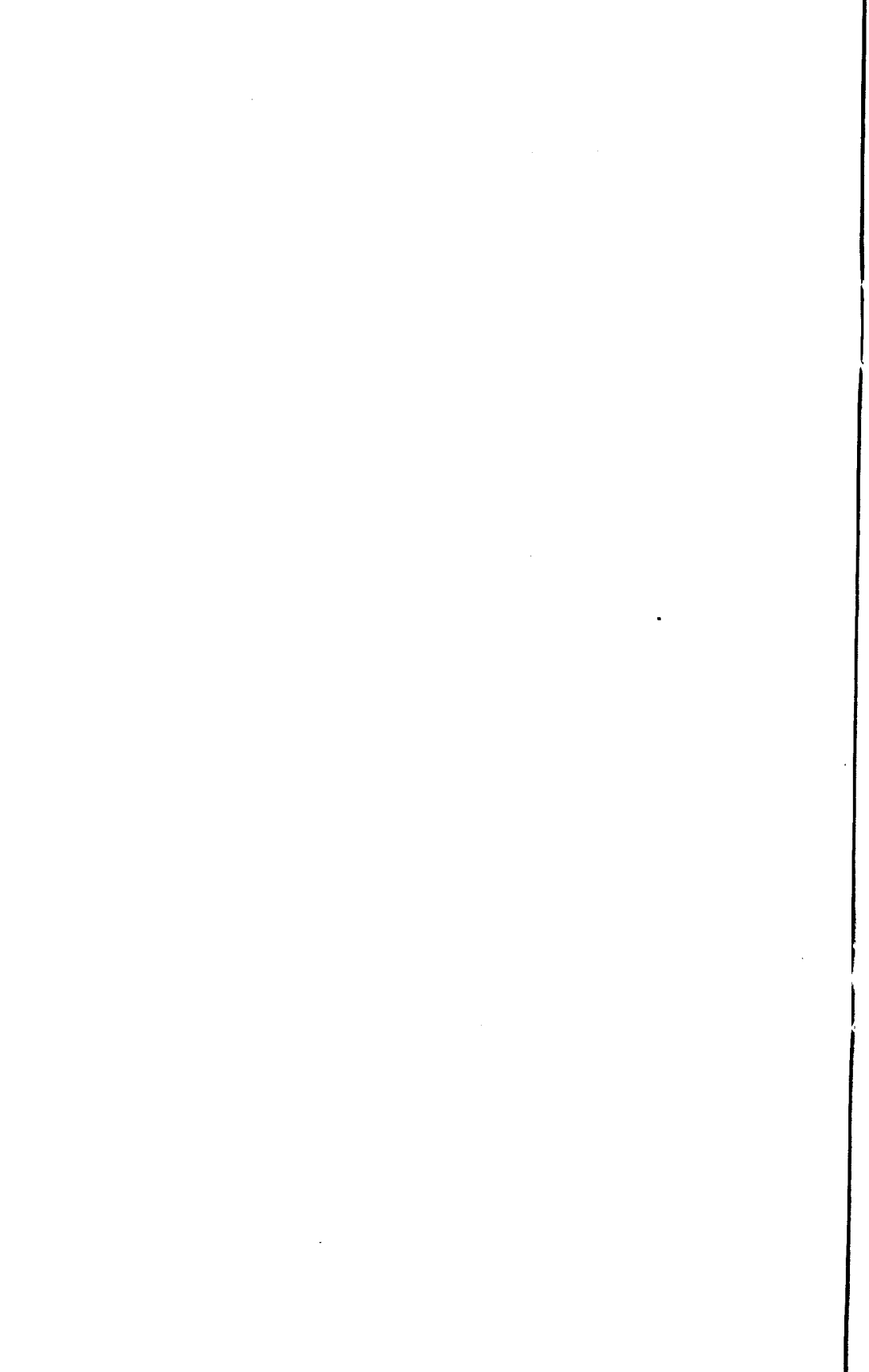
Premier of New Brunswick

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Witness

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Minister of Highways





SCHEDULE "A"

Program Description	Estimated Cost of Program (\$'000)	Federal Share Including (a) Direct Cost (b) 10% Allowance (where applicable) (\$'000)
1. <u>Saint John Throughway</u>	20,200	
To complete the design and construction of the following portions of a limited access throughway in the City of Saint John from the Eastern end of the Harbour Bridge to McKay Highway.		
1.1 Paradise Row and Wall Street Areas: Relocation of Wall, Paradise Row, Station Street, side streets, public and railway utilities and municipal services.		490
1.2 Mill Street to Roundhouse: Relocation of streets, R.R. trackage, public and railway utilities, removal of Stanley Street Overpass and grading.		770
1.3 Roundhouse Interchange: Grading ramps and surcharge in vicinity of future interchange.		455

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SAINT JOHN AND MONCTON ARTERIAL HIGHWAYSSCHEDULE "A"

Program Description	Estimated Cost of Program (\$'000)	Federal share Including (a) Direct Cost (b) 10% Allowance (where applicable) (\$'000)
1.4 Gilbert and Haymarket Areas: Relocation of streets, public utilities, municipal services and grading.		490
1.5 Gilbert and Haymarket: Structure.		2,975
1.6 Wall Street: Structure.		2,975
1.7 McKay Highway and R.R. Overpass: Structure.		3,220
1.8 McKay Highway: Grading.		490
1.9 Mill Street to McKay Highway: Paving, signing and lighting.		2,275
2. <u>Wheeler Boulevard and Shediac Highway</u> 24,500 To complete the design and construction of the following portions of a limited access four-lane regional arterial highway as a ring route around the Moncton Urban area and certain related connecting roads to the Trans-Canada Highway and south shore communities:		

SAINT JOHN AND MONCTON ARTERIAL HIGHWAYS

SCHEDULE "A"

Program Description	Estimated Cost of Program (\$'000)	Federal Share Including	
		(a) Direct Cost	(b) 10% Allowance (where applicable) (\$'000)
2.1 St. George Street Overpass: Two structures.			630
2.2 St. George Street to Mountain Road: Paving, signing and lighting.			910
2.3 Wheeler Boulevard to Trans- Canada Highway (Berry's Mills Road): Grading.			595
2.4 Wheeler Boulevard to Trans- Canada Highway (Berry's Mills Road): Paving.			350
2.5 Berry's Mills Road and Trans- Canada Highway Interchange: Structure and Ramps.			980
2.6 Mountain Road to Mapleton Road: Grading.			350
2.7 Mountain Road Interchange: Structure.			700
2.8 Mapleton Road to West Lane: Grading.			700

SCHEDULE "A"

Program Description	Estimated Cost of Program (\$'000)	Federal Share Including (a) Direct Cost (b) 10% Allowance (where applicable) (\$'000)
2.9 West Lane to Connaught: Grading.		700
2.10 West Lane Overpass: Structure.		350
2.11 Wheeler Boulevard-Connaught Interchange: Structure and Ramps.		875
2.12 Mountain Road to Connaught: Paving, signing, and lighting.		1,260
2.13 Connaught Street-Church Street: Grading.		1,312.50
2.14 Connaught Street-Church Street: Paving.		1,312.50
2.15 Gorge Road Interchange to Wheeler Boulevard: Ramps, grading and structure.		1,050
2.16 Gorge Road Interchange to Wheeler Boulevard Interchange: Paving.		315
To complete the design and construction of a four-lane Shediac to Moncton Highway from the Trans-Canada Highway to Floral Avenue:		
2.17 Airport Interchange: Structure and ramps.		1,050

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SCHEDULE "A"

<u>Program Description</u>	<u>Estimated Cost of Program (\$'000)</u>	<u>Federal Share Including (a) Direct Cost (b) 10% Allowance (where applicable) (\$'000)</u>
2.18 Airport Interchange to Kenmore Street: Grading.		1,050
2.19 Airport Interchange: Paving, signing and lighting.		560
2.20 Kenmore Street to Floral Avenue and Ramps to Floral Avenue: Grading.		350
2.21 St. Catherine Street: Structure.		350
2.22 Airport Interchange to Floral Avenue: Paving, signing and lighting.		1,400
TOTAL PROGRAMS:	44,700	
DREE SHARE:	31,290	

