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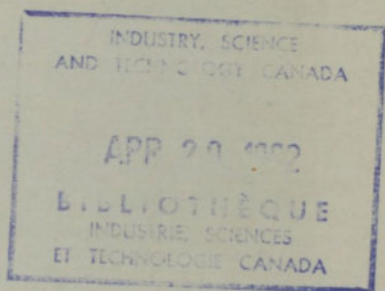
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agreement on  
Labrador  
1976-1980



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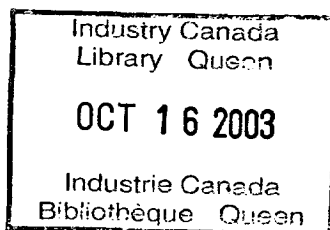
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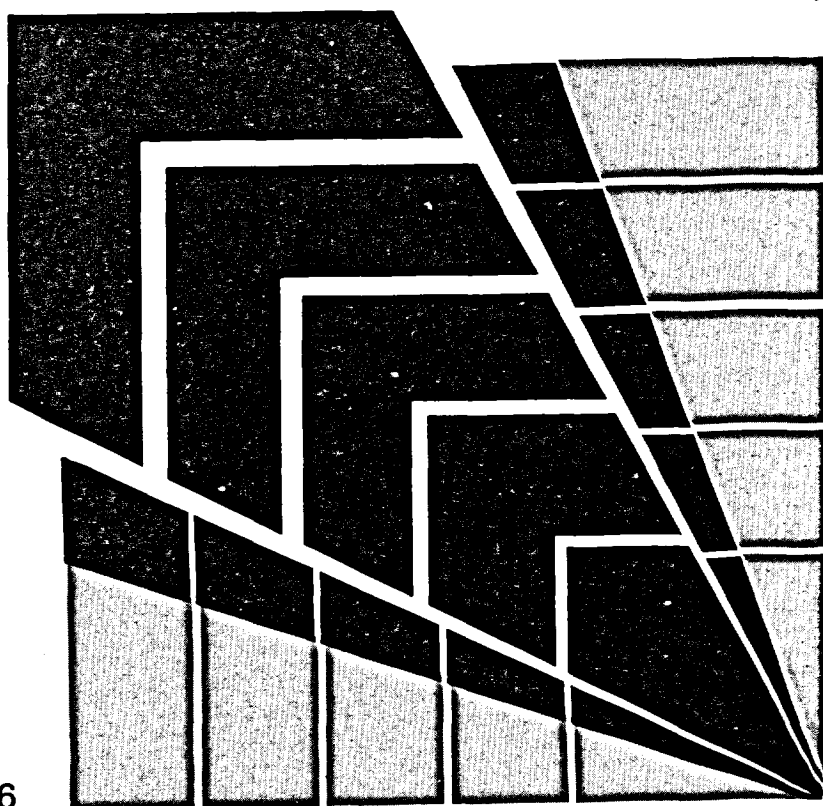


Regional  
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Expansion  
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DECEMBER 3, 1976

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Canada 1977

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CANADA-NEWFOUNDLAND  
LABRADOR INTERIM SUBSIDIARY AGREEMENT  
1976-1980

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THIS AGREEMENT made this 3rd day of December, 1976

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  
herein by the Minister for Inter-  
governmental Affairs,

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 projects listed in Schedule "A" attached hereto will be implemented in accordance with procedures 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. 1976-8/2664 of the 28th day of October, 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. 1145/76 of the 29th day of September, 1976, has authorized the Minister for Intergovernmental Affairs to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

#### DEFINITIONS

1. In this Agreement, here and after referred to as "this Agreement":
  - (a) "capital project" means any specific project, or part thereof, as determined by the Management Committee, in which construction or activities related to construction are involved;
  - (b) "eligible costs" means those costs referred to in section 4 of this Agreement;
  - (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 1st of any year and terminating on March 31st of the immediately following year;
  - (e) "Management Committee" means the Committee referred to in section 5 of this Agreement;
  - (f) "Ministers" means the Federal Minister and the Provincial Minister;
  - (g) "program" means the subject matter of this Agreement as specified in Schedule "A";
  - (h) "project" means a specific activity forming a self-contained unit within the program; and
  - (i) "Provincial Minister" means the Minister for Intergovernmental Affairs and includes anyone authorized to act on his behalf.

#### OBJECTIVES

2. (1) The objectives of this Agreement are:
  - (a) to assist the Municipality of Happy Valley-Goose Bay to maintain its socioeconomic viability following the substantial reduction of U.S. military operations at Goose Bay airport, Labrador;

- (b) to initiate community infrastructure improvements and services required to enable local residents to actively participate in the development of Labrador; and
- (c) to reinforce the long-term orderly development of Labrador for the benefit of its inhabitants and the Province.

SUBJECT MATTER

- 3. (1) 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) the development of an industrial park in the Town of Wabush, Labrador;
  - (b) the construction of a bridge at Northwest River, Labrador;
  - (c) the funding of operating costs connected with the establishment and operation of a Happy Valley-Goose Bay Economic Development Corporation for the term of this Agreement;
  - (d) the construction of a student residence to complement the existing Happy Valley Vocational School;
  - (e) the construction of an auxiliary sewage collector system and a sewer outfall in the Municipality of Happy Valley-Goose Bay, Labrador;
  - (f) the improvement of streets in the Municipality of Happy Valley-Goose Bay, Labrador;
  - (g) the supplementary funding of a Neighbourhood Improvement Program in the Municipality of Happy Valley-Goose Bay, Labrador; and
  - (h) program evaluation.
- (2) Upon completion of each project outlined in the attached Schedule "A" the Province shall accept ownership and full responsibility for the continuing operation, maintenance and repair of capital projects except where other federal-provincial arrangements apply.

## FINANCIAL PROVISIONS

4. (1) Subject to subsection 4(3), the eligible costs of capital projects to be financed or shared under this Agreement by Canada and the Province in respect of the capital projects or portions thereof listed in Schedule "A" are:
- all direct costs, including those relating to public information but excluding administration, survey, engineering and architectural 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 of capital projects listed in Schedule "A" as an allowance towards the exclusions specified.
- (2) Subject to subsection 4(3), the eligible costs of non-capital projects to be financed or shared under this Agreement by Canada and the Province in respect of non-capital projects or portions thereof listed in Schedule "A" are:
- all costs reasonably and properly incurred by the Province including all contracts entered into in accordance with this Agreement by the Province with any person, corporation or agency for the acquisition of materials or equipment or expenses incurred in the performance of work or services for the execution of a project.
- (3) 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.
- (4) Notwithstanding the terms and conditions outlined in subsections 4(1), 4(2) and 4(3), the eligible costs to be shared in respect of the project specified in paragraph 3(1) (g) shall be in accordance with the terms and conditions of the Agreement, dated August 1976, between Central Mortgage and Housing Corporation and the Province pursuant to section 27(1) and 27(3) of the National Housing Act.
- (5) Subject to subsection 4(4), the contribution by Canada under this Agreement will consist of ninety per cent (90%) of the municipal share of the costs of activities implemented under a Neighbourhood Improvement Program agreement between CMHC and the Province, up to a maximum of \$450 000.

- (6) In the event that the municipal share of the cost for any particular activity under the Neighbourhood Improvement Program is unable to be established by the Management Committee in the application of subsection 4(5), the contribution by Canada under this Agreement will be not more than seventy per cent (70%) of the provincial share of the costs of such activities.
- (7) 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.
- (8) 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.
- (9) Notwithstanding anything in this Agreement, the total amount payable by the Department of Regional Economic Expansion on behalf of Canada under this Agreement with respect to the projects listed in Schedule "A" shall not exceed \$9 819 000.
- (10) Notwithstanding the provisions of subsection 4(9), other programs of federal departments that may become part of this Agreement may have cost-sharing provisions different from those specified in Schedule "A".

#### 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. 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.
- (2) The function of the Management Committee shall be to establish a definition of each project specified in section 3 for the purpose of identifying the work to be financed, to oversee the implementation of those projects and to fulfill responsibilities identified for the Management Committee in sections 7 and 8 of this Agreement.



- (3) A work program including the proposed scheduling and estimate of costs shall be presented by the Province for approval of the Management Committee for each project, or portion of a project identified in section 3, prior to calling tenders or initiating other commitments for the implementation of a project.
- (4) The signatures of the Co-chairmen, or their alternates in their absence, shall be required in order to record formal approval of Management Committee documents including meeting minutes, project authorizations or any other recommendation, approval or decision within the jurisdiction of the Management Committee.
- (5) 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 subsection 6(2), payments by Canada shall be promptly made to the Province on the basis of audited 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 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.
- (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 subsections 6(1) and 6(2) shall be augmented by ten per cent (10%) for the projects as provided for in subsection 4(1).

### TENDERS AND CONTRACT AWARDS

7. (1) Unless the Management Committee otherwise agrees, all construction, purchase and other contracts shall be let pursuant to tenders invited by public advertisement.
- (2) 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.
- (3) All contracts shall be awarded to the responsible tenderer who has submitted the lowest evaluated tender, unless otherwise agreed by the Management Committee.
- (4) 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.
- (5) All announcements of tender calls and contract awards shall be made jointly by Canada and the Province.

### IMPLEMENTATION

8. (1) All substantive amendments to contracts shall require the prior approval of the Management Committee.
- (2) Any member of the Management Committee or his representative shall be permitted to inspect the projects at all reasonable times for the purpose of verifying progress claims and obtaining any other information concerning the projects which may be required by the Federal Minister or the Provincial Minister.
- (3) The Province shall forward to the Management Committee reports as to the progress of the work, in such detail and at such times as may be required by the Management Committee.

### PUBLIC INFORMATION

9. (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, project signs consistent with Federal-Provincial Identity graphics guidelines, and in both official languages, specifying that the relevant project is a Canada/Newfoundland Regional Development Project, financed by contributions from 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 upon 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 and of the products generated by this Agreement, as well as any official opening ceremony for any project under this Agreement, where such ceremony is indicated and appropriate, shall be arranged jointly by the Ministers.

### GENERAL

10. (1) This Agreement shall become effective on the date of signing by the Ministers and shall terminate on March 31, 1980, except that approved projects may be completed after the termination date. Canada shall not pay any claim received after March 31, 1981.
- (2) The terms and conditions of the GDA shall apply to this Agreement.
- (3) With regard to the applicability of labour standards, the parties agree as follows:
- (a) The labour standards must satisfy the following minimum conditions:
    - (i) rates of pay prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;

- (ii) in building construction, time and one-half the specified prevailing rate after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 48 per week;
  - (iii) 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;
  - (iv) to the extent that there are higher provincial standards applicable to particular occupations or regions, they will apply;
  - (v) there shall be no discrimination for employment of persons on the projects for reason of race, sex, age, marital status, national origin, colour, religion or political affiliation.
- (b) A copy of the regulations must be kept posted in a conspicuous place on the job site.
  - (c) Recruiting of labour shall be conducted through Canada Manpower Centres wherever practical.
- (4) No member of the House of Commons or of the Newfoundland House of Assembly shall be admitted to any part or share of any contract, agreement, or commission made pursuant to this Agreement, or to any benefit to arise therefrom.
  - (5) All documents, publications and information generated as a result of the projects provided for in the Agreement shall become the joint property of and be freely available to both parties.

#### EVALUATION

- 11. (1) During this Agreement, Canada and the Province shall jointly effect an assessment of the projects listed in Schedule "A" with regard to the stated objectives. The Management Committee will cause to be conducted studies to assemble relevant socioeconomic and resource data on the sub-regional level affected by the projects. Studies will be conducted in accordance with guidelines established by the Management Committee to determine the impact of projects carried out under this Agreement.

- (1) A progress report shall be submitted by the Management Committee to the Ministers on or before each annual meeting of the Ministers as prescribed under subsection 9.1 and section 10 of the GDA.

AMENDMENTS

12. (1) This Agreement, and the attached Schedule "A" which forms part of this Agreement, may be amended from time to time by the Ministers by an exchange of correspondence. It is expressly understood and agreed, however, that any amendments to subsection 4(9) shall require the prior approval of the Governor in Council and the Lieutenant 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 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

CANADA-NEWFOUNDLAND LABRADOR INTERIM  
SUBSIDIARY AGREEMENT PROGRAM  
(1976-1980)

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SCHEDULE "A"

<u>Projects</u>	<u>Estimated Cost</u> \$	<u>DREE Share</u> \$
1. Wabush Industrial Park	3 800 000	3 420 000
2. Northwest River Bridge	2 800 000	2 520 000
3. Happy Valley-Goose Bay Economic Development Corp.	385 000	346 500
4. Student Dormitory at Happy Valley Vocational School	2 225 000	2 002 500
5. Auxiliary Sewage Collector System and Outfall Facility	500 000	450 000
6. Street Improvement in the Town of Happy Valley	500 000	450 000
7. Town of Happy Valley Neighbourhood Improvement Program	750 000	450 000
8. Program Evaluation	200 000	180 000
TOTAL	<u>11 160 000</u>	<u>9 819 000</u>

NOTE: The DREE share represents ninety per cent (90%) of the direct costs connected with projects 1 to 6 and 8. The DREE share of project 7 is ninety per cent (90%) of the estimated municipal cost of a Neighbourhood Improvement Program up to a maximum of \$450 000 subject to the provision as set out in subsection 4(6) of this Agreement.

