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CANADA/BRITISH COLUMBIA
1975-76 WESTERN NORTHLANDS HIGHWAYS



FEBRUARY 12, 1976

CANADA-BRITISH COLUMBIA
1975-76 AGREEMENT FOR WESTERN NORTHLANDS
HIGHWAYS IN NORTHERN BRITISH COLUMBIA

THIS AGREEMENT made this 12th day of February, 1976

BETWEEN:

THE GOVERNMENT OF CANADA (hereinafter
referred to as "Canada"), represented
by the Minister of Transport and the
Minister of Regional Economic Expansion,

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE PROVINCE OF
BRITISH COLUMBIA (hereinafter referred
to as "the Province"), represented by
the Minister of Highways and the Minister
of Economic Development,

OF THE SECOND PART.

WHEREAS it was agreed at the Western Economic Opportunities Conference in July 1973 that Canada would participate with the western provinces in a western northlands program for development of the northern road system in the four western provinces;

AND WHEREAS Canada and the Province have signed a General Development Agreement dated March 28, 1974, (hereinafter referred to as "the GDA"), under which they agree to identify and pursue development opportunities;

AND WHEREAS Canada and the Province entered into an Agreement dated August 28, 1974, to cost-share projects undertaken on specified highways in northern British Columbia during the fiscal year 1974-75;

AND WHEREAS it is practicable and desirable to enter into a further Agreement to share the cost of a northern highway construction program for the fiscal year 1975-76;

AND WHEREAS improvements to the transportation system in northern British Columbia will contribute to the development of an efficient transportation system and will provide people in the area with options and opportunities to contribute to and participate in the development of their communities, the region and the province;

AND WHEREAS subsection 6.1 of the GDA provides for Ministers to sign subsidiary agreements having regard to development initiatives;

AND WHEREAS the Governor in Council by Order in Council P.C. 1976-5/287 of the 10th day of February, 1976, has authorized the Minister of Transport and 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. 502 of the 12th day of February, 1976, has authorized the Minister of Highways and the Minister of Economic Development to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto agree as follows:

DEFINITIONS

1. In this Agreement:

- (a) "eligible costs" means those costs defined in sections 5 (4), 5 (5) and 11 (1);
- (b) "Federal Ministers" means the Minister of Transport of Canada and the Minister of Regional Economic Expansion of Canada and any person authorized to act on their behalf;
- (c) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the following year;
- (d) "Joint Committee" means the Committee described in section 4;
- (e) "Ministers" means the Federal Minister and the Provincial Minister;
- (f) "project" means a specific activity as identified in Schedule "B"; and
- (g) "Provincial Ministers" means the Minister of Highways of British Columbia and the Minister of Economic Development of British Columbia and any person authorized to act on their behalf.

PURPOSE AND OBJECTIVES

2. (1) The purpose of this Agreement is to enable Canada and the Province to jointly finance improvements to specified transportation facilities in northern British Columbia during the fiscal year 1975-76. Further details of the program are set out in the Summary of Circumstances attached to this Agreement as Schedule "A".
- (2) In support of socio-economic development plans and priorities for northern British Columbia the objectives of this Agreement are:
 - (a) to provide improved road or highway access to areas with resource development potential in order to encourage an orderly development of northern British Columbia; and
 - (b) to improve the efficiency of the transportation system in northern British Columbia.

SUBJECT MATTER

3. (1) This Agreement shall apply to that portion of those highway or road construction projects described in Schedule "B" attached hereto and forming part of this Agreement which are approved and undertaken during the fiscal year 1975-76.
- (2) The Province shall undertake, or shall arrange for others to undertake, projects approved pursuant to this Agreement.

IMPLEMENTATION

4. (1) Canada and the Province shall promptly establish a Joint Committee for this Agreement, composed of one representative each from the British Columbia Department of Highways, the British Columbia Department of Economic Development, the Canada Ministry of Transport, and the Canada Department of Regional Economic Expansion.
- (2) The Joint Committee shall be responsible for the implementation and coordination of the Agreement and without limiting the generality of the foregoing shall be responsible for:
 - (a) the review and the approval of projects;
 - (b) the amendment and the modification of projects listed in Schedule "B" for reasons such as costs exceeding estimates, limitations in industry capacity, and similar aspects relating to the implementation of the program;

- (c) the monitoring of, and the reporting to the Ministers on, all stages of planning, construction and implementation of the program;
 - (d) the identification of shareable costs, payment schedules, and related financial matters;
 - (e) the ensuring of a proper review of environmental considerations when, in the Committee's opinion, a project is likely to have significant environmental effects; and
 - (f) the establishment, when required, of sub-committees composed of representatives from various federal and provincial departments or agencies concerned, to deal with specific aspects of the program under this Agreement.
- (3) A project document prepared by the Province containing a general description of the project, including design and construction standards, cost estimates, purposes and objectives, must be reviewed and approved by the Joint Committee before the project is eligible for joint financing under this Agreement.
 - (4) The Joint Committee shall act unanimously.

FINANCIAL

- 5. (1) Notwithstanding anything in this Agreement, and subject to the funds being made available by the Parliament of Canada, Canada's obligation to provide financing for approved projects shall not exceed \$5 000 000.
- (2) Canada's obligation with respect to the financing of each project approved under this Agreement shall be fifty per cent (50%) of the eligible costs of each project incurred during the fiscal year 1975-76.
- (3) Costs incurred on approved projects prior to the signing of this Agreement, but after March 31, 1975, shall be considered by the Joint Committee for cost-sharing under this Agreement.
- (4) Eligible costs to be shared under this Agreement in respect of approved projects shall be:
 - (a) all direct costs that in the opinion of the Joint Committee have been reasonably and properly incurred and paid by the Province for the implementation of the projects excluding those costs listed in sections 5 (5) and 11 (1); and

- (b) ten per cent (10%) of the costs determined pursuant to paragraph (a) above as an allowance towards administrative, survey, engineering and architectural costs.
- (5) Eligible costs under this Agreement shall exclude:
- (a) any tax, licence or other reimbursement to the Province;
 - (b) administrative, survey, engineering or architectural costs; and
 - (c) costs on projects where financial assistance is provided for under other federal Acts or programs.

CONTRACT PROCEDURES

6. (1) All contracts shall be awarded by the Province in accordance with procedures to be approved by the Joint Committee and, unless in the opinion of the Joint Committee it is not desirable to do so, shall be awarded to the qualified and responsible tenderer submitting the lowest evaluated bid.
- (2) Canadian, specifically northern Canadian, materials, equipment and consultative and other professional services shall be used to the extent to which they are procurable and where practical and consistent with economy and efficiency as determined by the Joint Committee.
- (3) 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) in road and heavy construction, the rates of pay for overtime shall be 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 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.

- (4) All contracts shall be awarded without 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 people in the area concerned.
- (5) Recruitment of labour shall be conducted through Canada Manpower Centres wherever practical.

PAYMENT PROCEDURE

7. Subject to the terms of this Agreement, payments shall be made by Canada, upon recommendation by the Joint Committee, on the basis of claims submitted by the Province setting out expenditures actually incurred and paid. Claims shall be submitted in a form satisfactory to the Federal Ministers and certified by a senior official of the Province.

RECORDS AND AUDIT

8. (1) The Province shall maintain adequate records of all transactions made pursuant to this Agreement, supported by the proper documents and vouchers, and these records shall be made available to the Federal Ministers for audit upon request.
- (2) Any discrepancy between amounts paid by either party and the amounts payable by it as disclosed by such audit shall be promptly adjusted between the parties.
- (3) No claim may be submitted after twelve months following the termination date of this Agreement.

EVALUATION

9. The parties shall provide assessment reports on the implementation of the projects listed in Schedule "B". These reports shall be prepared and submitted by the Joint Committee to the Ministers prior to the end of the 1976-77 fiscal year.

PUBLIC INFORMATION

10. (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 Joint Committee:

- (a) during the course of construction of capital projects, a project sign or signs consistent with Federal-Provincial Identity graphics guidelines, and in both official languages, specifying that the relevant project is a Canada-British Columbia Regional Development Project, financed by contributions by the Department of Regional Economic Expansion and the Ministry of Transport of the Government of Canada and the Government of the Province of British Columbia, 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 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

11. (1) The Province shall arrange and pay all costs for the acquisition of land and interest in land required for the implementation of this program and these costs of acquisition shall not be considered as eligible costs under this Agreement.
- (2) This Agreement is without prejudice to the settlement of any unresolved Native land claims in the province of British Columbia.
- (3) Nothing in this Agreement is intended to alter the respective jurisdiction over highways, other transportation facilities, or other related matters, or to be construed so as to vest in Canada any proprietary interest in highways, the maintenance of which shall remain a responsibility of the Province.
- (4) The Province shall maintain the designated highways as part of the provincial highway system following completion of the highway construction program.
- (5) The Province shall be responsible for such arrangements as are necessary where a project approved under this Agreement affects a municipality or other institution or agency under provincial jurisdiction.
- (6) Notwithstanding any other provision in this Agreement all obligations of Canada incurred by virtue of this Agreement shall be subject to the Financial Administration Act.

- (7) The duration of this Agreement shall be from April 1, 1975, to March 31, 1976.
- (8) This Agreement, and the attached Schedules, may be amended from time to time as mutually agreed in writing by the Ministers. However, any amendment to sections 5 (1) or 5 (2) shall require the prior approval of the Governor in Council.
- (9) All documents, publications and information generated as a result of the programs provided for in the Agreement shall become the joint property of and be freely available to both parties.
- (10) Each party shall indemnify and save harmless the other party, its officers, servants, and agents, against all actions, claims and demands of third parties in any way arising out of the implementation of projects hereunder, except to the extent to which such actions, claims, or demands relate to the act or negligence of any officer, employee, or agent of the other party.
- (11) 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. The law to be applied in the determination of any such suit shall be the law of the Province of British Columbia.
- (12) No member of the Senate or the House of Commons of Canada or of the Legislative Assembly of British Columbia 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.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Transport and the Minister of Regional Economic Expansion, and on behalf of the Province by the Minister of Highways and the Minister of Economic Development.

In the Presence of:

GOVERNMENT OF CANADA

Witness

Minister of Transport

Witness

Minister of
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE OF
BRITISH COLUMBIA

Witness

Minister of Highways

Witness

Minister of
Economic Development

CANADA-BRITISH COLUMBIA
1975-76 AGREEMENT FOR WESTERN NORTHLANDS
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SCHEDULE "A"

SUMMARY OF CIRCUMSTANCES

At the Western Economic Opportunities Conference in July of 1973, the federal government indicated that it would be willing to participate in the development and improvement of transportation infrastructure in the northern areas so as to assist in economic development, reduce the isolation of northern communities and generally improve the transportation system. More recently, the Department of Regional Economic Expansion (March 1974) signed with the Province of British Columbia a General Development Agreement under which they agreed to identify and pursue development opportunities.

The government of British Columbia has to date preferred to sign separate transportation agreements rather than as components of a northern economic development program. Accordingly, it was agreed that the Ministry of Transport should take the lead role in negotiating these agreements on behalf of federal departments. DREE cooperation with this arrangement in 1974-75 was based on a one-year interim agreement, pending resolution of a longer term federal-provincial arrangement. The federal government contributed its full share of \$5.0 million (\$2.5 million - MOT, \$2.5 million - DREE) during fiscal year 1974-75. This Agreement makes provision for a contribution of a like amount \$5.0 million; (\$2.5 million - MOT, \$2.5 million - DREE) during fiscal year 1975-76.

The northern highways program in British Columbia proposes expenditures of \$14.0 million, of which \$10 million is to be cost-shared by the federal government in the spirit of the discussions at the Western Economic Opportunities Conference. Individual highway projects, their estimated costs and cost-sharing are set out in Schedule "B".

The program as proposed by the Province for 1975-76 includes construction/improvements to Highway 97, Prince George to Fort St. John, Highway 37, Kitwanga to Meziadin and Stewart to Watson Lake, and Highway 16, Prince George to Prince Rupert. There is provision as well for engineering studies.

In the broadest sense the entire length of Highway 16 may not be of concern to this Agreement although with the anticipated development of Prince Rupert this could well change. However, some projects on Highway 16 are included as they are in keeping with the need to improve the transport link between the northwest and its natural outlet, Prince Rupert.

The highway between Prince George and Fort St. John (No. 97) is considered to be eligible for cost-sharing which is supportive of development programs for the northeast area of the province such as the subsidiary agreement for improvement of the Fort Nelson municipal infrastructure and more generally to possible future initiatives in this priority area. With the completion of the Liard Highway some time in the future this route (No. 97) will provide access from Prince George to Fort Simpson and the Mackenzie Valley. The most immediate need is to improve access to Fort St. John to complement the proposed paving of the Alaska Highway through to Fort Nelson.

The Province is placing a very high priority in the developmental sense on the completion of the Kitwanga to Meziadin section of Highway No. 37 (there is at present a private logging road connecting the Stewart to Watson Lake portion with Highway No. 16) and the continued upgrading of the present highway between Stewart and Watson Lake. The construction/upgrading of this highway will complete the link to Watson Lake and the Yukon, improve access to the community of Stewart and, along with the railway construction of the Canadian National from Terrace to Groundhog to connect up with the BCR, provide the transport network which will support the development of the mineral and forest resources of the northwest. The completion of this route through to Watson Lake will possibly delay the need for upgrading the Alaska Highway beyond Fort Nelson.

CANADA-BRITISH COLUMBIA
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HIGHWAYS IN NORTHERN BRITISH COLUMBIA

SCHEDULE "B"

1975-76 HIGHWAY COST-SHAREABLE PROJECTS

Highway	Location and Description	Expenditure (Thousands of Dollars)
97	<u>Prince George to Fort St. John</u>	
	2821 - Prince George to Parsnip River - day labour	400
	S-6175 - Parsnip River to Honeymoon Creek - surfacing	<u>2 200</u>
		2 600
37	<u>Kitwanga to Watson Lake</u>	
	909 - Kitwanga Bridge - new structure	970
	2689 - Sawmill Point to Pinetree Lake - contract	<u>3 360</u>
		4 330
16	<u>Terrace to Prince Rupert</u>	
	778 - Terrace Bridge	2 400
	S-6075 - Approaches - curbs and gutter (60% of 750)	450
	2365 - Kitsumkalum to Shames - reconstruction	270
	B58 - Exstew Bridge - new bridge	350
	2343 - Exstew Bridge - approaches - day labour	250
	2775 - Igneous Creek to Khyex - road base construction	2 500
	977 - Shames to Tyee - prestressed stringers	<u>870</u>
		7 090
	TOTAL COSTS (including engineering)	14 020
	Total Direct Shareable Costs	9 091
	10% as per section 5 (4) (b)	<u>909</u>
		<u>10 000</u>

COST APPORTIONMENT
(In Thousands of Dollars)

<u>Expenditure</u>	<u>Federal Share</u>	<u>Provincial Share</u>
10 000	5 000	5 000
100%	50%	50%