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**DEPARTMENT OF TRANSPORT
MINISTÈRE DES TRANSPORTS**

AGREEMENT

between

THE GOVERNMENT OF CANADA

and

THE GOVERNMENT OF THE NORTHWEST TERRITORIES

- Date of Authority - T.B. 820431 dated August 4, 1993
- P.C. 1993-7/1758 dated August 26, 1993
- Date of Agreement - September 15, 1993
- Public Work Concerned - Transportation Improvements
- Description - The Strategic Transportation Improvement Program in the Northwest Territories is a joint federal/provincial initiative for improvements to infrastructure.
- Consideration - \$20,000,000

DEPARTMENTAL REFERENCE

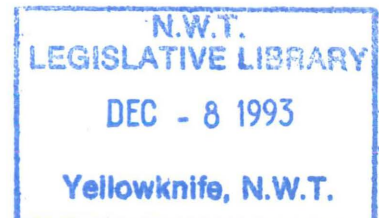
RÉFÉRENCE DU MINISTÈRE

FILE NO. ACG 3610-32-13

DOSSIER NO

MEMORANDA

NOTES



CANADA - NORTHWEST TERRITORIES

STRATEGIC TRANSPORTATION IMPROVEMENT AGREEMENT

1993-94 / 1997-98

CANADA - NORTHWEST TERRITORIES

STRATEGIC TRANSPORTATION IMPROVEMENT AGREEMENT

THIS AGREEMENT made this 15 day of September, 1993.

BETWEEN HER MAJESTY IN RIGHT OF CANADA (herein referred to as "Canada") represented by the Minister of Transport.

AND COMMISSIONER IN RIGHT OF THE GOVERNMENT OF THE NORTHWEST TERRITORIES (GNWT) (herein referred to as the "Northwest Territories") represented by the Minister of Transportation.

WHEREAS transportation has been identified by Canada and the Northwest Territories as an essential element in competing in a new global economy;

AND WHEREAS the First Ministers of Canada agreed on March 25, 1992 that investing in infrastructure to create short and long-term economic benefits is a priority for Canada:

AND WHEREAS the Minister of Finance announced on December 2, 1992 a Strategic Capital Investment Initiative involving transportation infrastructure;

AND WHEREAS the Minister of Transport of Canada and the Minister of Transportation of the Northwest Territories agree that it is practicable and desirable for Canada and the Northwest Territories to enter into an Agreement to cost-share a Strategic Transportation Improvement Program;

AND WHEREAS the Governor in Council by Order in Council P.C. 1993-358, dated February 23, 1993, has authorized the Minister of Transport to execute this Agreement on behalf of Canada:

AND WHEREAS the GNWT Financial Management Board has authorized the Minister of Transportation to execute this Agreement on behalf of the Northwest Territories;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of these premises, the parties covenant and agree as follows:

1. **DEFINITIONS**

1.1 In this Agreement:

- (a) "Ministers" means the Federal Minister of Transport and the Territorial Minister of Transportation;
- (b) "Federal Minister" means the Minister of Transport for Canada and includes any person formally authorized to act on his or her behalf for the purposes hereof;
- (c) "Territorial Minister" means the Minister of Transportation of the Northwest Territories or any person formally authorized to act on his or her behalf for the purposes hereof;

- (d) "Management Committee" means the committee established pursuant to clause 5.1;
- (e) "fiscal year" means the period starting on April 1 of any year and ending on March 31 of the following year;
- (f) "Eligible Costs" means those costs as defined in clause 6.5 and 6.6;
- (g) "program" means all projects that will be approved under this Agreement and that are listed in Schedule "B";
- (h) "project" means a set of activities comprising a specific undertaking as listed in Schedule "B", as modified from time to time in accordance with the provisions of this Agreement; and
- (i) "maintenance" means the upkeep of a highway in its entirety including both the travelled and the untravelled portions.

2. PURPOSE AND OBJECTIVE

- 2.1 The purpose of this Agreement is to enable Canada and the Northwest Territories to jointly finance certain improvements of the transportation system in the Northwest Territories, in accordance with strategy as outlined in Schedule "A".

3. SUBJECT MATTER

- 3.1 This Agreement shall apply to the construction and improvement projects on certain links of the transportation system in the Northwest Territories as described in Schedule "B".
- 3.2 For Project 1.1 "Airport Construction Contribution Agreement Enhancement" the terms and conditions of the existing Canada-NWT Construction Contribution Agreement dated June 5, 1991 shall apply.
- 3.3 For Project 2.1 "Coronation Gulf Hydrographic Survey", Canada and the NWT will each make contributions of \$600,000 directly to the Canadian Hydrographic Service of the federal Department of Fisheries and Oceans.

4. UNDERTAKINGS

- 4.1 The Northwest Territories shall undertake, or shall cause to be undertaken, all projects approved under this Agreement to the standards agreed to by the Management Committee.
- 4.2 The Northwest Territories shall arrange for the acquisition of land or such interest therein as may be necessary for the implementation of this Agreement.

- 4.3 Canada and the Northwest Territories shall cooperate in all environmental concerns associated with projects jointly funded under this Agreement. The review and approval of these projects shall be undertaken in accordance with applicable federal and territorial environmental protection legislation.

5. **MANAGEMENT AND IMPLEMENTATION**

- 5.1 A Management Committee shall be established as of the date of the execution of this Agreement and shall consist of two members, one appointed by the Federal Minister and the other appointed by the Territorial Minister.
- 5.2 Each member of the Management Committee may, in writing, authorize a person to attend and vote on his or her behalf at any meeting of that Committee.
- 5.3 The Management Committee shall be responsible for the general administration and management of this Agreement and for, amongst other things:
- (a) the review and approval of all projects necessary for the implementation of this Agreement;
 - (b) the amendment of Schedule "B", provided that such amendment does not result in an increase of the overall total estimated expenditure stated for all projects specified therein;
 - (c) the submission of annual status reports to the Ministers on the progress achieved under this Agreement;
 - (d) the approval of the proposed contracts and their modification where they affect the financial commitment of the present Agreement, relating to any projects included in Schedule "B";
 - (e) the adoption of systems, methods and administrative and financial procedures pertinent to the proper management of this Agreement; and
 - (f) planning, evaluation and communication activities.
- 5.4 The quorum for all meetings of the Management Committee shall be two members or their representatives duly authorized pursuant to clause 5.2.
- 5.5 Decisions of the Management Committee shall be in writing and shall be acted on only if taken unanimously by its members.
- 5.6 Any matter with respect to which the Management Committee is not unanimous shall be referred to the Ministers who upon resolution shall jointly direct the Management Committee in writing on the appropriate course of action.
- 5.7 The Management Committee shall continue to exist and to operate for a period of up to eighteen calendar months following the date of termination or expiry of this Agreement.

5.6 If at any stage in the implementation of a project approved under this Agreement it appears to the Northwest Territories that the costs thereof will exceed the estimated costs agreed to by the Management Committee, the Northwest Territories shall promptly inform the Management Committee and state the reasons for such increase, and refer the issue for consideration and decision by the Management Committee.

6. **FINANCIAL**

6.1 Subject to annual appropriations by the Parliament of Canada of the funds to be contributed, Canada shall, in accordance with the terms stipulated herein, contribute 50% of the total Eligible Costs of all projects approved and implemented under this Agreement from fiscal year 1993-94 to 1997-98, to a maximum of \$10 million.

6.2 Subject to annual appropriations by the Government of the Northwest Territories of the funds to be contributed, the Northwest Territories shall, in accordance with the terms stipulated herein, contribute 50% of the total Eligible Costs of all projects approved and implemented under this Agreement from fiscal year 1993-94 to 1997-98, up to \$10 million, together with any costs of such projects in excess of \$20 million.

6.3 In the event the Ministers jointly decide to apportion, as between Canada and the Northwest Territories, during any fiscal year forming part of the term of this Agreement, the Eligible Costs of the projects approved under this Agreement, in a proportion other than that stipulated in clauses 6.1 and 6.2 for each of them respectively, it is understood and agreed that compensating adjustments shall be made during other years forming part of the term of this Agreement to reestablish the respective contributions of Canada and the Northwest Territories in the overall proportions and limitations stipulated for each of them in clauses 6.1 and 6.2.

6.4 No new projects can be approved under this Agreement after the date of termination or expiry of this Agreement and no new work will be tendered after that date. No claim may be submitted after eighteen months following the date of termination or expiry of this Agreement.

6.5 Subject to clause 6.6 except as noted under clause 3.2 and 3.3, Eligible Costs to be shared under this Agreement in respect of a project approved under this Agreement shall be:

- (a) all direct costs incurred for the implementation of a project which has been approved under this Agreement, including those related to public information, signing, lighting, transportation markings, utility adjustments, and other construction costs that in the opinion of the Management Committee, have been reasonably and properly incurred by the Northwest Territories for the implementation of the project, excluding those costs listed in clause 6.6;
- (b) ten percent (10%) of the costs determined, pursuant to section (a) above as an allowance towards administrative, survey, engineering, and architectural costs; and
- (c) all costs specified in clauses 10.1, 10.3, 11.3, and 11.4.

- 3.6 Except as noted under clause 3.2, eligible Costs under this Agreement shall exclude:
- (a) actual administrative, survey, engineering or architectural costs;
 - (b) costs which have been shared under other federal statutes or programs excluding federal formula financing payments to Northwest Territories; and
 - (c) costs for the acquisition of land or any interest therein, which may be required for the implementation of this Agreement.

7. CONTRACT PROCEDURES

- 7.1 Subject to the applicable laws and regulations of the Northwest Territories, all advertising for the tenders, opening of tenders and awarding of contracts under this Agreement shall be carried out in accordance with procedures to be approved by the Management Committee. All contracts shall be awarded to the qualified and responsible tenderer submitting the lowest evaluated bid unless the Management Committee is of the opinion that it would be undesirable to do so.
- 7.2 For any project approved under this Agreement, Canadian suppliers of labour, goods and services shall be afforded a full and fair opportunity to compete for any contract that is let pursuant to this Agreement.
- 7.3 With regard to the applicability of labour standards, the parties agree that the laws and regulations of the Northwest Territories which relate to labour matters and to conditions of work will apply to all construction work undertaken under this Agreement.
- 7.4 In accordance with Human Rights Legislation of Canada and the Northwest Territories, there shall be no discrimination by reason of race, sex, age, marital status, national origin, colour, religion, or political affiliation in the employment of persons on a project, except as justified by a lawful affirmative action program.
- 7.5 The Northwest Territories shall indemnify and save harmless Canada, its officers, servants and agents, against all actions, claims and demands of third parties in any way arising out of the implementation of projects approved under this Agreement, hereunder, except to the extent that such actions, claims or demands relate to the act or negligence of any officer, employee, or agent of Canada in the execution of his functions.

8. PAYMENT PROCEDURES

- 8.1 Payments by Canada for projects under this Agreement in accordance with clause 5.3(e), shall be made promptly to the Northwest Territories on the basis of progress claims submitted by the Northwest Territories setting out expenditures actually incurred and paid. Claims shall be certified by a senior officer of the Northwest Territories.
- 8.2 Payments may be made in a subsequent fiscal year subject to an agreement reached by the Management Committee.

9. RECORDS AND AUDIT

- 9.1 (a) The GNWT shall keep proper accounts and records of all expenditures incurred in connection with the planned work, and shall keep all invoices, receipts and vouchers relating thereto, and such accounts, records, invoices, receipts and vouchers shall be open during business hours to audit and inspection by the Federal Minister who may make copies thereof and take extracts therefrom.
- (b) The GNWT shall furnish to the Federal Minister such information as may be required in connection with the audit and inspection referred to in sub-section (a).
- (c) The Federal Minister reserves the right to proceed with an independent audit.
- (d) All requirements referred to in sub-section (a) to (c) shall be met for ten (10) years following the effective date of this Agreement.
- 9.2 The GNWT shall furnish to the Minister, within one hundred and twenty (120) days following the completion of the planned work each year, a certified financial statement for the work including an activity report, a statutory declaration clearly stating there are no outstanding payments to subcontractors or suppliers, and a certificate of completion signed by the GNWT's representatives. On failure of the GNWT to provide the said documents, the Federal Minister may undertake an audit at the GNWT's expense.

10. PLANNING AND EVALUATION

- 10.1 An amount in the order of one-half of one percent (1/2 of 1%) of the total value of this Agreement shall be utilized for an evaluation of the program, research and development and for related studies.
- 10.2 During the term of this Agreement, Canada and the Northwest Territories shall effect an assessment of the projects approved under this Agreement to measure the effectiveness and the social and economic benefits. Each party shall provide the other with such information as may reasonably be required in order to undertake such assessment.
- 10.3 Should a special environmental assessment be required before the completion of any detailed planning and engineering design work over the term of the Agreement, Canada and the Northwest Territories shall commission and direct a consultant study and such study, including any public consultation process if required, shall be funded from the Planning and Evaluation funds as set out in the Agreement.

11. COMMUNICATIONS

- 11.1 Canada and the Northwest Territories agree that all arrangements covering public information in this Agreement, shall be consistent with any objectives and policy guidelines of Canada and the Northwest Territories in respect of cost-shared programming between the Parties .

- 11.2 Canada and the Northwest Territories agree that information regarding past performance, the purpose and objectives, progress and future direction, of all initiatives under this Agreement, may be made available publicly through the term of this Agreement, on a regular basis.
- 11.3 Any public announcement of the measures covered, and of the products generated by the program and the projects approved under this Agreement, and any official ceremony for any project approved under this Agreement where such ceremony is indicated and appropriate, shall be arranged jointly by the Ministers. The costs associated with any public announcement and any official opening ceremony shall be Eligible Costs.
- 11.4 The Northwest Territories further agrees to supply, erect and maintain, on the direction of the Management Committee:
- (a) during the course of construction of any project approved under this Agreement, a project sign or signs consistent with federal-territorial identity graphics guidelines, and in both official languages, specifying that the relevant project is financed by contributions from Canada and the Northwest Territories or such other wording as may have been or may be agreed upon by the Ministers; and
 - (b) where relevant, a permanent sign or plaque to the effect set forth in (a).

12. **GENERAL**

- 12.1 This Agreement shall take effect on the date of execution of this Agreement and shall expire on March 31, 1998.
- 12.2 Subject to clause 12.3, this Agreement may be amended from time to time as mutually agreed in writing by the Ministers.
- 12.3 Any amendment to clauses 6.1 and 6.2 of this Agreement shall require the prior approval of the Governor in Council and the Commissioner of the Northwest Territories.
- 12.4 The laws in effect in the Northwest Territories shall apply to this Agreement.
- 12.5 Nothing in this Agreement is to be construed as authorizing the Northwest Territories to contract for or to incur any obligation on behalf of Canada or to act as agent for Canada.
- 12.6 Nothing in this Agreement is intended to alter the respective jurisdiction over transportation, over transportation facilities, or over regulatory or other matters related thereto, or to be construed so as to vest in Canada any proprietary interest in transportation, identified in Schedule "B", and amendments thereto the maintenance of which shall remain a responsibility of the Northwest Territories.
- 12.7 Unless otherwise provided by law, the Northwest Territories shall be responsible for the maintenance of the designated transportation described in Schedule "B" following completion of the construction and improvements provided for by this Agreement.

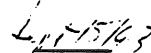
- 12.8 The Northwest Territories shall be responsible for such arrangements as are necessary where a project approved under this Agreement affects a municipality or other institution or agency under territorial jurisdiction.
- 12.9 Notwithstanding any other provision in this Agreement, all obligations of Canada incurred by virtue of this Agreement shall be subject to the federal Financial Administration Act.
- 12.10 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.
- 12.11 No member of the Senate, the House of Commons of Canada, or of the Legislative Assembly of the Northwest Territories, 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.
- 12.12 This document and Schedules "A" and "B" form the entire Agreement.


IN WITNESS THEREOF this Agreement has been executed on behalf of Canada by the Minister of Transport and on behalf of the Northwest Territories by the Minister of Transportation.

In the Presence of:

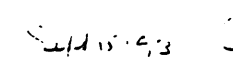
HER MAJESTY IN RIGHT OF CANADA


Witness

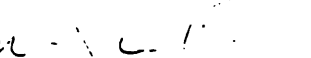

Date


Minister of Transport
Mr. Jean Corbeil

HER MAJESTY IN RIGHT OF
THE NORTHWEST TERRITORIES


Witness


Date


Minister of Transportation
Mr. John Todd

**CANADA - NORTHWEST TERRITORIES
STRATEGIC TRANSPORTATION IMPROVEMENT AGREEMENT**

1993-94/1997-98

SCHEDULE "A"

PROGRAM STRATEGY

1.0 Description and Role

1.1 For the past several years there has been a growing recognition of the importance of transportation to the Canadian economy. The federal government is currently negotiating with each province and territory to establish cost-shared programs to support transportation improvements.

1.2 In the Northwest Territories, the transportation is underdeveloped and inadequate. Only 10 percent of the area is served by road. Majority of the communities rely on air and marine transportation for the movement of passengers and goods. The Strategic Transportation Improvement Program proposes to provide new airport and marine facilities where none or inadequate facilities exist now, and to upgrade selected existing airport and marine facilities to bring them to acceptable standards.

1.3 Employment creation is also important to the territorial economy. In the Northwest Territories, each million dollars spent on transportation construction generates approximately 17 jobs.

1.4 The mandate and focus of the Strategic Transportation Improvement Program recognizes the need to preserve and upgrade the existing transportation network.

2.0 Traffic

Traffic congestion is not a major problem at most transportation facilities in the NWT. The requirements are for basic airport and marine facilities where none exist now or for improvement/upgrading of existing facilities to at least the minimum acceptable standards from the point of safe operations and compliance with federal and territorial standards and regulations.

For example, all airports included in this program must meet "national" Transport Canada certification standards for the current critical aircraft.

3.0 Improvement Strategy

3.1 The projects qualifying under this agreement will meet one or more of the following objectives:

- a. enhance overall system efficiency;
- b. promote safety;
- c. support industrial development;
- d. encourage tourism;
- e. enhance producer access to international and regional markets; and
- f. improve level of service provided to all transportation users

3.2 Consideration will be given to environmental issues on all projects.

3.3 Safety and level of service will be improved. The SHIP projects will result in improvements to the routes with the highest traffic volumes.

3.4 A major underlying principle in the identification of each project is its cost effectiveness. All projects must optimize the benefits to the entire territorial transportation system by maximizing the ratio of anticipated user benefits to the estimated project costs.

**CANADA - NORTHWEST TERRITORIES
STRATEGIC TRANSPORTATION IMPROVEMENT AGREEMENT**

1993-94/ 1997-98

SCHEDULE "B"

PROGRAM

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CANADA / NORTHWEST TERRITORIES STRATEGIC TRANSPORTATION IMPROVEMENT PROGRAM
 1993/94 - 1997/98
 SCHEDULE 'B'
 PROJECTS TO BE UNDERTAKEN DURING THIS AGREEMENT

November 24, 1993
 Revision # 1

Project Numbers	Description of Projects	Estimated Expenditures	Current Year Expenditures 1993/94	Future Expenditures 1994/95-1997/98
1. Strategic Transportation Improvement - Airport Program				
1.1	<u>Delling (Fort Franklin)</u> Construct new airport at site 3 km north of community including new 3,000' x 100 runway, taxiway, apron, groundside, access road; provide power and medium intensity permanent airfield lighting; install PAPIs; provide airport passenger shelter.	\$ 3,375,000	\$ 280,000	\$ 3,375,000
1.2	<u>Pelly Bay</u> Extend runway to 3,000'; realign runway; construct new airport access road; relocate taxiway and apron; gravel overlay entire surface; relocate NDB antenna tower; install medium intensity airport lighting and power; install PAPIs; provide airport passenger shelter.	1,798,000	990,000	898,000
1.3	<u>Lustel Lake (Groundside)</u> Construct new 3,000' x 100' runway, taxiway, apron, groundside; extend access road; provide power and medium intensity permanent airfield lighting; install PAPIs; provide airport passenger shelter.	636,000	300,000	336,000
1.4	<u>Fort Good Hope</u> Construct new 3,000' x 100' runway, taxiway, apron, groundside, and access road; provide power and medium intensity permanent airfield lighting; install PAPIs; provide airport passenger shelter.	1,291,000	430,000	861,000
1.5	<u>Coppermine Aerodrome</u> Widen the existing runway, expand taxiway and apron, resurface the entire airfield and replace the lighting system.	3,000,000	50,000	2,950,000

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CANADA / NORTHWEST TERRITORIES STRATEGIC TRANSPORTATION IMPROVEMENT PROGRAM
 1993/94 - 1997/98
 SCHEDULE "A"
 PROJECTS TO BE UNDERTAKEN DURING THIS AGREEMENT

November 26, 1993
 Revision # 1

Project Numbers	Description of Projects	Estimated Expenditures	Current Year Expenditures 1993/94	Future Expenditures 1994/95-1997/98
1. Strategic Transportation Improvement - Airport Program (continued)				
1.6	Inuvik Lake Airport Construct new airport including: 3,000' x 75' runway, apron, taxiway, airport access road; install airfield lighting system; provide airport passenger shelter.	2,600,000	700,000	1,900,000
Sub-total		\$ 12,900,000	\$ 2,580,000	\$ 10,320,000
2. Strategic Transportation Improvement - Marine Program				
2.1	Coronation Gulf Port Project (hydrographic survey of shipping lanes to a future port at Coppermine)	\$ 1,200,000	\$ 1,200,000	\$ 0
2.2	Peruvik Harbour Development Construct breakwater, wharf and cargo marshalling area and dredge an access channel.	2,000,000	200,000	1,800,000
2.3	Coral Harbour Breakwater and Anchorage Construct breakwater, anchorage basin and cargo marshalling area.	1,400,000	0	1,400,000
2.4	Rankin Inlet Marine Terminal Construction new marine terminal and cargo marshalling area.	1,500,000	0	1,500,000
2.5	Iskut Marine Terminal Construct wharf, cargo marshalling area and improve access road.	900,000	0	900,000
Sub-total		\$ 7,000,000	\$ 1,400,000	\$ 5,600,000

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CANADA / NORTHWEST TERRITORIES STRATEGIC TRANSPORTATION IMPROVEMENT PROGRAM
 1993/94 - 1997/98
 SCHEDULE "B"
 PROJECTS TO BE UNDERTAKEN DURING THIS AGREEMENT

November 26, 1993
 Revision # 1

Project Numbers	Description of Projects	Estimated Expenditures	Current Year Expenditures 1993/94	Future Expenditures 1994/95-1997/98
3. Planning, evaluation and communication				
3.1	Planning, evaluation and communication	\$ 100,000	\$ 20,000	\$ 80,000
Sub-total		\$ 100,000	\$ 20,000	\$ 80,000
Program total		\$ 20,000,000	\$ 4,889,000	\$ 16,000,000

Approved by the Management Committee:

For Canada: *Folger Jones* Date: *Nov. 26/93* For Northwest Territories: *Ken Williams* Date: *Nov. 26/93*