

**CANADA – BRITISH COLUMBIA
BUILDING CANADA FUND
COMMUNITIES AGREEMENT
2007-2017**

This Agreement is made as of **March 20, 2008**

BETWEEN: **HER MAJESTY IN RIGHT OF CANADA** (“Canada”), represented by the Minister of Transport, Infrastructure and Communities

AND **HER MAJESTY IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA** (“Province”) represented by the Minister of Community Services and by the Minister of Economic Development

BACKGROUND

WHEREAS the Parties recognize that investments in public infrastructure are fundamental to the quality of life of Canadians and necessary to ensure continued economic growth.

AND WHEREAS the Government of Canada allocated a \$33 billion Infrastructure Plan announced in Budget 2007 which delivers on the commitment made in Advantage Canada by announcing a plan for infrastructure consistent with the fiscal balance consultations.

AND WHEREAS Canada provided \$33 billion in the 2007 Budget for infrastructure investments in Canada of which \$8.8 billion was allocated to go towards the Building Canada Fund (“BCF”), the Government of Canada’s new flagship infrastructure program that emphasize partnerships with any combination of municipal, provincial, territorial governments, as well as the private sector.

AND WHEREAS investments under the Communities Component of the BCF focuses on projects in smaller communities to bring forward small to medium scale priorities to support national or regional objectives.

AND WHEREAS The Communities Component of the BCF supports projects that are smaller in size, and are able to address the local needs.

AND WHEREAS this Agreement is entered into as contemplated under the Framework Agreement.

NOW THEREFORE, in accordance with the principles set out above, Canada and British Columbia hereby agree as follows.

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Schedule B - Eligible and Ineligible Costs;
Schedule C - Reporting, Audit and Evaluation;
Schedule D - Information Management.

1. INTERPRETATION

1.1 Definitions

A capitalized term has the meaning given to it in this section unless the context clearly dictates otherwise.

“**Agreement**” means this Agreement.

“**Applicant**” means;

- a) a Local Government, that has applied for a contribution in support of a Project under BCF; or
- b) a non-governmental organization whose Application is supported by a resolution from the Local Government where the project is located;

but does not include:

- c) Municipalities (or applicants from within) having a population in excess of 100,000, as determined by Statistics Canada’s Final 2006 census and
- d) departments, ministries and agencies of Canada or British Columbia, and
- e) Federal or provincial departmental corporations or Crown Corporations, except as expressly set out above.

“**Application**” means a request for funding by an Applicant.

“**Asset**” means any moveable or non-moveable asset, constructed, rehabilitated, or improved, in whole or in part, with funds contributed by Canada under the terms of this Agreement.

“**BCF**” means the Building Canada Fund, under which this Agreement is authorized.

“**Construction Works**” means any physical changes to land (above or below ground level) or buildings.

“**Contract**” means a Contract between a Recipient and a Third Party whereby the latter agrees to contribute a product or service to a Project in return for financial consideration which may be claimed as an Eligible Cost.

“**Contribution Agreement**” means an agreement between British Columbia and a Recipient whereby British Columbia agrees to contribute financially to an approved Project.

“**Eligible Costs**” means Project costs eligible for funding in accordance with Schedule B- Eligible and Ineligible Costs.

“**Fiscal Year**” means the period beginning April 1 of a year and ending March 31 of

the following year.

“Framework Agreement” means the infrastructure agreement made between British Columbia and Canada dated November 6, 2007.

“IFC” means the Infrastructure Framework Committee created pursuant to the Framework Agreement.

“Infrastructure” means publicly- or privately-owned capital assets in British Columbia for public use or benefit.

“Joint Secretariat” means the Joint Secretariat referred to in Section 4.5.

“Local Government” means

- a) a municipality;
- b) a regional district;
- c) a greater board, as defined in the Community Charter (British Columbia); and
- d) any other public authority responsible for delivering local services in British Columbia if that authority is approved by the Oversight Committee.

“Ministers” means the Federal Minister and the Provincial Ministers, and includes anyone authorized to act on their behalf.

“Oversight Committee” means the committee established pursuant to Subsection 4.1.

“Parties” means Canada and British Columbia; and **Party** means either Canada or British Columbia.

“Project” means an Infrastructure project that will be situated within the boundaries of a Local Government or, that will directly benefit, a community with a population of less than 100,000 people, excluding the Infrastructure’s maintenance and operation that is the subject of an Application.

“Recipient” means an Applicant whose Project is approved for funding under this Agreement.

“Third Party” means any person, other than a Party to this Agreement or a Recipient, that participates in the implementation of a Project.

1.2 Entire Agreement

Save for the Framework Agreement, this Agreement supersedes and invalidates all other commitments, representations and warranties relating to the subject matter hereof which may have been made by the Parties either orally or in writing prior to the date hereof and all of which will become null and void from the date this Agreement is signed.

1.3 Schedules

The following schedules are attached to and form part of this Agreement:

Schedule A - Project Review, Assessment and Selection Framework;

Schedule B - Eligible and Ineligible Costs;

Schedule C - Reporting, Audit and Evaluation;

Schedule D - Information Management.

1.4 Precedence

In the event of a conflict, the part of this Agreement that precedes the signatures of the Parties will take precedence over the Schedules and the Guidelines and in the event of a conflict between this Agreement and the Framework Agreement, the Framework Agreement will prevail.

1.5 Accounting Principles

All accounting terms not otherwise defined herein have the meanings assigned to them. All calculations will be made and all financial data to be submitted will be prepared, in accordance with the Generally Accepted Accounting Principles (GAAP) in effect in Canada. These will include, without limitation, those principles and standards approved or recommended from time to time by the Canadian Institute of Chartered Accountants or the Public Sector Accounting Board, as applicable, or any successor institute, applied on a consistent basis.

2. PURPOSE

2.1 Purpose of the Agreement

The purpose of this Agreement is to provide a joint framework for the implementation of the Communities Component of the BCF, which is made possible by Canada's contribution, together with British Columbia's contribution, as set out in Section 3.1.

2.2 Funding Limitations

For a Project to be eligible for funding under this Agreement, the Parties must be satisfied that their contribution is required to enable its implementation, enhance its scope, or accelerate its timing.

2.3 Project Funding

The Parties agree that Projects:

- a) will be assessed for funding in accordance with the criteria outlined in Schedule A- Project Review, Assessment and Selection Framework, and any criteria that may be developed by the Oversight Committee;
- b) may be funded by only one of the Parties if approved by the other; and

- c) if 2.3 b) is applicable, then the Party choosing to fund the Project agrees that all provisions of Section 3.1 b) of this Agreement will apply to their contribution and, further, if the Party choosing to fund the Project is Canada, British Columbia agrees to enter into the appropriate Contribution Agreement with the Recipient.

2.4 Applications

All applications will be subject to a competitive, application-based process. Application selection criteria are further described in Schedule A - Project Review, Assessment and Selection Framework.

3. FINANCIAL PROVISIONS

3.1 Total contribution

- a) The Parties agree that the total contribution by:
 - i. Canada will not exceed \$136 million as set out in Section 3.3. Of the total \$136 million amount, \$25 million is allocated specifically for the purposes of flood protection related projects, in reference to the Disaster Mitigation category of Schedule A. The Province may spend up to two percent (2%) of the total amount, \$136 million, to pay for incremental administrative costs associated with participating in the Oversight Committee and the Joint Secretariat described in Section 4.5 below and referred to in Schedule B.1 (j) and;
 - ii. British Columbia will contribute an amount equal to that contributed by Canada.
- b) The Parties agree that, by the end of the Agreement, the federal contribution, from all federal sources, will not exceed one third (1/3) of the total of the Eligible Costs incurred by all approved Projects. However, the total federal contribution, from all sources, to a Project may be higher but may not exceed 50% of its total Eligible Costs, except in the case of Recipients that are private sector bodies, in which case the total contribution to the Project may not exceed 25% of its total Eligible Costs.
- c) for the Regional and Local Airport category, federal funding on a project by project basis, will be allocated as follows:
 - i. For private sector assets, the maximum federal share, from all sources, of the total eligible costs for each project will be one-quarter (25 percent);
 - ii. The Province's contribution will be no less than the federal Government contribution; and
 - iii. For Local Government assets, Local Government interests must furnish at least one-third (33.33 percent) of the total Project eligible costs.
- d) The cap on the Collaborative Projects category is outlined in Schedule A-Project Review and Assessment Framework.

Appropriations

A payment due by either Party under this Agreement is conditional on a legislated appropriation for the Fiscal Year in which the payment is due. Both Parties undertake to make their best efforts to cause their respective legislatures to enact the appropriation legislation required to carry out this Agreement.

3.2 Notional Allocation

Each Party's total contribution will be allocated notionally, in millions of dollars (\$), as follows:

	Canada (\$M)	British Columbia (\$M)
2007-2008	\$0	\$0
2008-2009	\$0	\$0
2009-2010	\$5	\$5
2010-2011	\$35	\$35
2011-2012	\$35	\$35
2012-2013	\$41	\$41
2013-2014	\$20	\$20
TOTAL	\$136	\$136

3.3 Re-Profiling

Canada agrees to commit funds by Fiscal Year in accordance with the notional allocation set out in Section 3.3. If, in a Fiscal Year, an amount lesser than the estimated allocation is paid or payable by Canada, Canada will, subject to Sections 3.1 and 3.2, use its reasonable efforts to reallocate the difference to a subsequent Fiscal Year. Any adjustment required must be approved by the Oversight Committee and requested by British Columbia in writing to Canada, prior to the end of the applicable Fiscal Year.

3.4 Fiscal Year Forecasts

Prior to start of the Fiscal Year, the Joint Secretariat, established pursuant to Subsection 4.5 will provide a forecasted cash flow, to the Parties, based upon the approved Projects list and the anticipated results of any call for applications. Updated forecasted cash flows will additionally be presented at June 30 and November 30th of the Fiscal Year.

3.5 Limit on Canada's Aggregate Financial Assistance

British Columbia agrees to inform Canada promptly of all financial assistance offered

or received in respect of Eligible Costs of a Project. Canada may recover the excess or reduce its contribution towards a Project to respect the funding limits of Eligible Costs, as set out in subsection 3.1 b) above.

3.6 Discrepancies

The Parties agree to promptly correct any discrepancy between the amount payable and the amount paid by Canada under this Agreement.

4. OVERSIGHT COMMITTEE

4.1 Establishment

Within 60 days of the signing of this Agreement, the Parties will establish an Oversight Committee to administer and manage this Agreement. The Oversight Committee will report directly to the Parties and will consist of two members appointed by Canada and two members appointed by Province. The Parties will notify each other of the appointments in the same timeframe. All members will be selected from each Party's senior officials. The mandate of the Oversight Committee, generally, is to oversee the management and implementation of the elements of this Agreement. The Oversight Committee will operate until all terms of this Agreement have been fulfilled.

4.2 Co-Chairs

The Oversight Committee will be headed by two co-chairs chosen from its members: one senior official from Infrastructure Canada appointed by the Federal Minister ("Federal Co-chair"), and one appointed by the Provincial Minister ("Provincial Co-chair"). If one Co-chair is absent or unable to act, he or she will be replaced by the other federally-appointed member or the other provincially-appointed member, as the case may be.

4.3 Meetings and Administrative Matters

The Oversight Committee will:

- a) Meet regularly, as agreed by the Co-chairs. Quorum will consist of the two Co-chairs; and
- b) Establish rules and procedures with respect to its meetings and those of its sub-committees, including rules for the conduct of meetings and the making of decisions.

4.4 Recommendations and Decisions

All decisions and recommendations of the Oversight Committee must be consensual and recorded in writing.

4.5 Joint Secretariat

The Parties agree to establish a Joint Secretariat to support the Oversight Committee in the administration of this Agreement, including the timely production and sharing of

information about Applicants, Projects' financial cash flows and other information.

4.6 Enhanced Partnership with Municipal Organizations

The Parties agree to build on the successful partnership created with the Union of British Columbia Municipalities during the implementation of previous federal provincial infrastructure programs and draw upon the knowledge and experience of local governments.

As such, the Union of British Columbia Municipalities will designate two representatives that will participate in the Oversight Committee as observers. These representatives will participate in the Oversight Committee during the development of guidelines and annual reporting and will provide advice and comment during the Project selection process.

4.7 Joint Guidelines, Procedures and Forms

The Oversight Committee will develop, in a timely manner, a series of guidelines, procedures and forms necessary that will reflect the joint nature of the Agreement for:

- a) Submitting Applications;
- b) Assessing, ranking and recommending Applications for approval by Ministers, including those made by Applicants with exceptional circumstances or limited fiscal capacity;
- c) Entering into and recording Contribution Agreements with Recipients;
- d) Reporting by Recipients on the implementation and evaluation of Projects;
- e) Submitting and processing claims;
- f) Recording of claims and payments;
- g) Handling Project increases and decreases;
- h) Providing information and updates of its activities to the IFC; and
- i) Carrying out any other of its duties under this Agreement.

4.8 Joint Application Review Process

The Parties agree to put in place the following joint Application review process.

- a) Applications must be filed online with the Parties, by completing an internet based application form or, in special circumstances, by other methods as approved by the Oversight Committee.
- b) The Oversight Committee will, after receipt of an Application:
 - i. advise the Applicant of receipt and of any additional information it requires;
 - ii. review and rank the Application against the mandatory screening criteria

and the ranking criteria of its category as set out in Schedule A- Project Review and Assessment Framework, and against all other requirements and criteria of this Agreement;

- iii. note and record what requirements the Project fails to meet, and;
- iv. make a recommendation, with reasons, to the Parties, as to the Application's suitability for funding, and advise them as to any requirement that is not yet met.

4.9 Environmental Assessment Requirement

The Oversight Committee will ensure that no funds are disbursed to a Recipient in respect of a Project until all legislated environmental assessment requirements have been fully met. This does not prevent the Parties from making a funding commitment that is conditional upon meeting them.

4.10 Exceptional Circumstances

Despite any other provision in this Agreement, the Parties may approve, if the Project is located in a rural or isolated area and its circumstances are exceptional, and after taking into account the detailed recommendation of the Oversight Committee, an Application which does not meet the requirements set out in Schedule A - Project Review, Assessment and Selection Framework. The Project must however be in keeping with all applicable laws and regulations.

4.11 Changes during the Life of the Project

In this Section, "significant change" includes, in respect of a Project:

- a) any material change to its location, scope or timing; or
- b) any change that would trigger a further environmental assessment; or
- c) where the Recipient requests an additional contribution from Canada or British Columbia, and the additional contribution would, when added to any previous increase in the federal or provincial contribution, be greater than either \$50,000 or twenty percent (20%) of the federal or provincial contribution as set out in the initial Contribution Agreement;

A request for an amendment to a Contribution Agreement will be reviewed by the Oversight Committee, and

- a) in the case of a request for a significant change, it will recommend to the Parties whether to approve it or not; and
- b) in the case of another change, it may approve or reject it.

4.12 Incorporation in Agreements and Contracts

- a) The Oversight Committee will ensure that all Contribution Agreements are consistent with this Agreement and incorporate its relevant provisions to the extent possible, including, without limitation, the provisions of Subsection 11.13

below. The Oversight Committee will also ensure that all Contribution Agreements require all Contracts to be consistent with this Agreement and incorporate its relevant provisions to the extent possible;

- b) Contribution Agreements will include a provision to the effect that the Recipient will begin its Project within six months of the date of the Contribution Agreement, failing which it may be terminated by British Columbia. If a Recipient fails to comply with the provision, British Columbia will notify the Oversight Committee, which will recommend a course of action.

4.13 Information Management System

- a) SIMSI

Canada has developed a Shared Information Management System for Infrastructure (SIMSI) to support the delivery of Infrastructure programs by providing online Project registration, approval, monitoring, and reporting capabilities. Costs associated with the implementation, maintenance, access, training and support of the system will be borne by Canada, as well as the costs to interface SIMSI with British Columbia's database for this Initiative.

- b) Information Management

The Parties agree to manage the Application and Project information throughout their life cycle as required by Canada's Policy on the Management of Government Information, applicable provincial policies and Schedule D- Information Management. The Parties agree that updated Application and Project information will be managed for the period of time stipulated in the Agreement.

5. PROJECT IMPLEMENTATION

5.1 Enforcement of Contribution Agreements

British Columbia agrees to enforce all terms and conditions of Contribution Agreements, save for breaches of the Contribution Agreements that, both British Columbia and Canada agree, are minor or inconsequential. Prior to seeking any remedy under a Contribution Agreement, British Columbia agrees to advise the Oversight Committee.

5.2 Compliance

The Parties agree to comply with, and British Columbia agrees to ensure that the Contribution Agreements require Recipients and any Third Party comply with, all applicable legislation.

6. CONTRIBUTION AGREEMENT PROCEDURES AND PROVISIONS

6.1 Awarding of Contracts

- a) The Parties agree that the Oversight Committee will develop policies, procedures

and requirements concerning the awarding and management of Contracts and their content based on relevant policies and procedures of British Columbia;

- b) The Contribution Agreements will require all Contracts to be awarded and managed in accordance with British Columbia's relevant policies and procedures, a copy of which will be provided to the Oversight Committee;
- c) The Parties agree that Contracts will be awarded in a way that is transparent, competitive, consistent with the Agreement on Internal Trade, and consistent with value for money principles.

6.2 Data Gathering and Audits

The Parties agree that all Contribution Agreements will include, and will require all Contracts to include, provisions authorizing the Parties to gather data required under this Agreement, to perform audits and to monitor Projects as they see fit.

6.3 Accounts and Records

Without limiting the generality of other relevant provisions, the Parties agree that Contribution Agreements will require that:

- a) British Columbia will require that proper and accurate accounts and records, in respect of this Agreement and Projects including invoices, statements, receipts and vouchers, are kept for at least six (6) years after termination of this Agreement and completion of a Project, respectively, and will, upon reasonable notice, make them available to Canada for inspection or audit.; and
- b) All the Project's records and accounts are available to the Parties and any member of the Oversight Committee, for inspection, at all reasonable times.

6.4 Indemnification

- a) All Contribution Agreements will also include an indemnification clause to the effect that Canada and British Columbia, their officers, servants, employees, or agents will be indemnified and saved harmless from and against all claims and demands, loss, costs, damages, actions, suits, or other proceedings by whomsoever brought or prosecuted in any manner based upon, or occasioned by any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights caused by or arising directly or indirectly from:
 - i. This Agreement;
 - ii. The performance of a Contribution Agreement or the breach of any term or condition of it by a Recipient, its officers, servants, employees and agents, or by a third party, and any of its officers, employees, servants or agents;
 - iii. The ongoing operation, maintenance and repair of the Infrastructure resulting from the Project; or
 - iv. Any omission or other willful or negligent act of the Recipient, a third party, their respective employees, officers, servants or agents.

- b) British Columbia agrees at all times to indemnify and save harmless Canada, from and against all claims and demands, loss, costs, damages, actions, suits or other proceedings by whomsoever brought or prosecuted in any manner in respect of any matter arising from this Agreement or any Project, except those resulting from the negligence of any officers, servants, employees, or agents of Canada.

6.5 Infrastructure Maintenance and Operation

British Columbia agrees that all Contribution Agreements will stipulate that the assets resulting from the Project will be used, maintained and operated for a period of at least one half of the expected life of the asset after the completion of the Project.

6.6 Infrastructure Disposition

British Columbia agrees to include the following provisions in its Contribution Agreements:

- a) unless otherwise agreed to by the Parties, the Recipient will retain title to, and ownership of, the Infrastructure resulting from the Project for at least ten (10) years after Project completion
- b) in the event that, at any time within ten (10) years from the date of completion of the Project, the Recipient sells, leases, encumbers or otherwise disposes of, directly or indirectly, any asset constructed, rehabilitated or improved, in whole or in part, with funds contributed by Canada under the terms of this Agreement, other than to Canada, British Columbia, a Local Government, or a Crown corporation of British Columbia that is the latter's agent for the purpose of implementing this Agreement, the Recipient hereby undertakes to repay Canada, on demand, a proportionate amount of the funds contributed by Canada, as follows:

Where Project asset is sold, leased, encumbered or disposed of:	Repayment of contribution (in current dollars)
Within 2 Years after Project completion	100%
Between 2 and 5 Years after Project completion	55%
Between 5 and 10 Years after Project completion	10%
10 Years after Project completion	0%

- c) At any time during the ten (10) years following the date of completion of the project, each Party agrees to notify the other Party in writing as soon as practicable, of any transaction triggering the above-mentioned repayment of which the Party becomes aware.

6.7 Revenue from Assets

The Parties acknowledge that their contributions to Projects are meant to accrue to the public benefit. Where British Columbia becomes aware, of any asset to which Canada has contributed under this Agreement is used in such a way that, in the Fiscal Year, revenues are generated from it which exceed its operating expenses, it will notify Canada in writing within 90 days of the end of a Fiscal Year and Canada may require British Columbia to pay to Canada immediately a portion of the excess, in the same proportion as Canada's contribution is to the total cost of the asset. This obligation will apply only to the first ten (10) complete Fiscal Years following the completion date of the Project.

British Columbia will require through the Contribution Agreement that the recipient pay British Columbia a portion of the excess, in the same proportion as Canada's and British Columbia's contribution is to the total cost of the asset.

7. CLAIMS AND PAYMENTS

7.1 Payments

British Columbia agrees to submit Recipient claims to the Oversight Committee in accordance with Subsection 7.4 of this Agreement and in accordance with any other procedures established by the Oversight Committee. If, in Canada's opinion, the requirements of this Agreement have been complied with, it will promptly pay to British Columbia Canada's share of Eligible Costs paid by Recipients.

7.2 Claim Dates

Canada will pay its share of Eligible Costs provided that claims are received by Canada:

- a) No later than March 31 of the year following the Fiscal Year in which the Eligible Cost was incurred; and
- b) In any event, no later than March 31, 2016.

7.3 Contribution Imbalance

The Parties will ensure that by August 1, 2016, each has paid the same amount in contributions, and will correct any imbalance by October 1, 2016.

7.4 Claim Procedures

Claims submitted by British Columbia quarterly, must include the following:

- a) Signature of British Columbia's designated senior accountable financial officer, in respect of this Agreement, as to the accuracy of the information submitted in support of the claim;
- b) Break down of eligible costs claimed;

- c) For each expense, the invoice/contract vendor name and number, the period the expense was incurred, the date paid, and the category of eligible costs in Schedule B - Eligible and Ineligible Costs, to which each expense corresponds;
- d) Identification of any deferred payment amounts.

8. DISPUTE RESOLUTION

8.1 Dispute Resolution

The Parties agree to keep each other informed of any disagreement or contentious issue, by notifying the Oversight Committee, which will attempt to resolve it.

8.2 Referral

Any disagreement or contentious issue that cannot be resolved will be submitted to the Ministers for resolution.

8.3 Applicable Jurisdiction

Any dispute in law regarding this Agreement will be submitted to the appropriate Court of British Columbia.

8.4 Waiver

A Party may waive any right under this Agreement only in writing; and any tolerance or indulgence demonstrated by that Party will not constitute waiver of such right. Unless a waiver is executed in writing, that Party will be entitled to seek any remedy that it may have under this Agreement or under the law.

9. REPORTING, AUDIT AND EVALUATION

9.1 Reporting

On-going performance measurement data for the BCF will be collected and reported through the annual progress report. In addition, projects' lifecycle data information will be captured through SIMSI and may be used in the production of annual progress reports. Reporting activities will be undertaken in accordance with Schedule C - Reporting, Audit and Evaluation, of this Agreement.

9.2 Annual Financial Statements

British Columbia will, in its public accounts, reflect Canada's contribution, in accordance with British Columbia's established accounting practices.

9.3 Audit

- a) The Oversight Committee will require that expenditures under this Agreement are audited in accordance with Schedule C – Reporting, Audit and Evaluation;
- b) In addition, any Party, at its own expense, may audit all accounts, records, and claims for reimbursement relating to this Agreement and may undertake reviews

of Province's administrative, financial and claim certification processes and procedures to ensure compliance with this Agreement.

- c) British Columbia agrees that the Auditor General of Canada may, at the Auditor General's cost, after consultation with British Columbia conduct an inquiry under the authority of subsection 7.1 (1) of the *Auditor General Act* in relation to the use of funds. For the purposes of any such inquiry undertaken by the Auditor General, British Columbia shall provide, upon request and in a timely manner, to the Auditor General or anyone acting on behalf of the Auditor General,
 - i. all records held by a Recipient, or by agents or contractors of the recipient, relating to this Agreement and the use of the Funds; and,
 - ii. such further information and explanations as the Auditor General, or anyone acting on behalf of the Auditor General, may request relating to any of this Agreement or the use of the funds.

9.4 Evaluation

a) Joint Evaluations - Canada – British Columbia

Canada will lead the evaluation activities in collaboration with British Columbia who will participate and co-manage the joint formative and summative evaluations at the jurisdictional level and provide information as required to Canada, pursuant to Schedule C - Reporting, Audit and Evaluation.

b) Evaluations by British Columbia

If British Columbia undertakes a unilateral evaluation, it agrees to consult Canada on the evaluation design, pursuant to Schedule C - Reporting, Audit and Evaluation

c) Provision of Information

British Columbia will provide all relevant data and information that Canada may need for evaluation, pursuant to Schedule C - Reporting, Audit and Evaluation.

10. COMMUNICATIONS

The Parties hereby agree to follow the communications protocol as described, pursuant to the Framework Agreement.

11. MISCELLANEOUS

11.1 Binding Obligations

Each Party declares to the other that the signing and execution of this Agreement was duly and validly authorized, and that each has incurred a legal and valid obligation in accordance with the terms and conditions of the Agreement.

11.2 Beginning and Expiry Dates

This Agreement will be effective when signed by the Parties and will end on March 31, 2017.

11.3 Ultimate Approval Date

Despite any other provision of this Agreement, no Project will be approved after March 31, 2014.

11.4 Survival

The Parties' rights and obligations set out in Sections 9 and 11 and Subsections 3.6, 3.7, 5.1, 6.3, 6.4, 6.6, 6.7, 7.3, 8.2, 8.3, 8.4 and any other Section, Subsection or Schedule which is required to give effect to the termination or to its consequences will survive the expiry or early termination of this Agreement.

11.5 Governing Law

This Agreement is governed by the laws applicable in British Columbia.

11.6 Debts Due to Canada

Any amount owed to Canada under this Agreement will constitute a debt due to Canada, which British Columbia will reimburse forthwith, on demand, to Canada. Debts due to Canada will accrue interest in accordance with the Interest and Administrative Charges Regulations.

11.7 No Benefit

No member of the House of Commons or of the Senate of Canada will be admitted to any share or part of any Contract made pursuant to this Agreement or to any benefits arising therefrom.

11.8 No Agency

It is understood, recognized and agreed that no provision of this Agreement and no action by the Parties will establish or be deemed to establish a partnership, joint venture, principal-agent relationship, or employer-employee relationship in any way or for any purpose whatsoever between Canada and British Columbia or between Canada, British Columbia and a Third Party.

11.9 No Authority to Represent

Nothing in this Agreement is to be construed as authorizing one Party to contract for or to incur any obligation on behalf of the other or to act as agent for the other. Nothing in this Agreement is to be construed as authorizing any Recipient or any Third Party to contract for or to incur any obligation on behalf of either Party or to act as agent for either Party. British Columbia will take reasonable steps to ensure that all Contribution Agreements contain provisions to that effect.

11.10 Counterpart Signature

This Agreement may be signed in counterpart, and the signed copies will, when attached, constitute an original Agreement.

11.11 Values and Ethics Code

No person governed by the post-employment, ethics and conflict of interest guidelines of Canada will derive a direct benefit from this Agreement unless that person complies with the applicable provisions.

11.12 Severability

If for any reason a provision of this Agreement that is not a fundamental term is found to be or becomes invalid or unenforceable, in whole or in part, it will be deemed to be severable and will be deleted from this Agreement, but all the other terms and conditions of this Agreement will continue to be valid and enforceable.

11.13 Lobbyists and Agent Fees

British Columbia:

- a) warrants that any person it has hired, for payment, to speak to or correspond with any employee or other person representing Canada on British Columbia's behalf, concerning any matter relating to the contribution under this Agreement or any benefit hereunder and who is required to be registered pursuant to the *Lobbyists Registration Act*, as amended, is registered pursuant to that Act; and
- b) warrants that it has not and nor will it make a payment or other compensation to any legal entity that is contingent upon or is calculated upon the contribution hereunder or negotiating the whole or any part of the terms of this Agreement or the Contribution Agreement
- c) British Columbia shall include a similar warranty from a Recipient, in its Contribution Agreement.

11.14 Amendments to The Agreement

This Agreement may be amended from time to time on written agreement of the Parties.

11.15 Notice

Any notice, information or document provided for under this Agreement will be effectively given if delivered or sent by letter, postage or other charges prepaid. Any notice that is delivered will have been received on delivery; and any notice mailed will be deemed to have been received eight (8) calendar days after being mailed.

Any notice to Canada must be sent to:

Assistant Deputy Minister
Program Operations Branch
Infrastructure Canada
90 Sparks Street
Ottawa, Ontario K1P 5B4;

Any notice to British Columbia will be addressed to:

Assistant Deputy Minister
Economic Competitiveness Division
Ministry of Economic Development
P.O. Box 9327, Stn Provincial Govt
Victoria, British Columbia V8W 9N3

And

Assistant Deputy Minister
Local Government
Ministry of Community Services
800 Johnson Street
Victoria, British Columbia V8W 1N3

Each Party may change the address that it has stipulated by notifying in writing the other party of the new address.

SIGNATURES

This Agreement has been executed on behalf of Canada by the Minister of Transport, Infrastructure and Communities, and on behalf of British Columbia by the Minister of Community Services and by the Minister of Economic Development.

GOVERNMENT OF CANADA
Original signed by:

GOVERNMENT OF BRITISH COLUMBIA
Original signed by:



The Honourable Lawrence Cannon
Minister of Transport, Infrastructure and
Communities



The Honourable Ida Chong
Minister of Community Services



The Honourable Colin Hansen
Minister of Economic Development

The Union of British Columbia Municipalities, while not a party to this Agreement, acknowledges the terms and conditions thereof.

A handwritten signature in cursive script, reading "Susan Semse", is written over a solid horizontal line.

President
Union of British Columbia Municipalities

SCHEDULE “A”

PROJECT REVIEW, ASSESSMENT AND SELECTION FRAMEWORK

A.1 PROJECT SELECTION CRITERIA

A.1.1 ELIGIBLE PROJECTS

To be eligible for funding, a Project must:

- a) Be submitted by an Applicant who demonstrates that it will be able to operate and maintain the resulting Infrastructure over the long term;
- b) Fall within one of the applicable Project categories hereunder, be consistent with the objectives of the category and directly related to one of its subcategories, meet one or more of the Project outcomes of the category and meet the mandatory Project criteria of the category
- c) Be ranked in accordance with the ranking matrix to be developed by the Oversight Committee ;
- d) Be for the construction, renewal, expansion, upgrade, or material enhancement of Infrastructure, however excluding normal maintenance or operation;
- e) Be supported by a business case, to be part of the Application, that is comprehensive, credible and feasible ;
- f) Stipulate a construction completion date of no later than March 31, 2016;
- g) Be implemented in communities served by Local Governments with a population of less than 100,000 people, as set out in the Statistics Canada Final 2006 Census;
- h) Be duly authorized or endorsed by, as applicable
 - i. in the case of a municipal Applicant, a resolution of its council; or
 - ii. in the case of a non-governmental, not-for-profit or private sector body Applicant, a resolution of its board of directors and also by a resolution of the municipal Council where the Infrastructure is proposed to be located.

A.1.2 NON-ELIGIBLE PROJECTS

- a) Projects dealing mainly with assets owned by Canada or Province are only eligible for funding if, in the opinion of the Oversight Committee, the assets are of a type normally owned or operated by Local Governments for community use and benefit.

- b) Projects where Construction Works have started, prior to approval by Ministers, will not be eligible for funding.

A.1.3 CAP ON COLLABORATIVE PROJECTS CATEGORY

The Parties agree that no more than one percent (1%) of Canada's contribution set out in subsection 3.1 (a) may be applied to Projects under the collaborative projects category.

A.2 COMMON CRITERIA REQUIREMENTS FOR THE COMMUNITIES COMPONENT

A.2.1 MANDATORY CRITERIA

Through their application, the proponent must demonstrate the following:

- The project is supported by a comprehensive, credible and feasible business case that outlines the costs and benefits of the proposed project. (Please note that the application form will set out information requirements regarding project costing, ongoing operation and maintenance, engineering, technology, project management and governance).
- How the project is consistent with applicable provincial, regional, or municipal plans (e.g., land-use plans, integrated watershed management plan, municipal official plans, Integrated Community Sustainability Plans).
- The project will meet all applicable legislative or regulatory requirements, including the requirement for a federal Environmental Assessment process that meets the requirements of the *Canadian Environmental Assessment Act*, which may include specific requirements for aboriginal consultation.
- The contract award process will be competitive, fair and transparent (e.g., no sole-source contracts, no union-only processes).
- Major risks related to extreme natural events and/or climate change risks with a potential impact on the project during construction or once completed have been considered, and, where applicable, a mitigation plan developed.
- Infrastructure intended for use by the public ensures appropriate access for persons with disabilities.
- Opportunities regarding a regional service area or other cooperative arrangements, particularly with First Nations communities, have been considered, as appropriate, in respect of the project.

A.2.2 ADDITIONAL LEVERAGING CRITERIA

- Newly constructed or materially rehabilitated buildings exceed the energy efficiency requirements of the Model National Energy Code for Buildings or, (preferred) will obtain a LEED certification.
- Newly constructed buildings meet the requirements of the Canadian Standards Association Technical Standard Accessible Design for the Built Environment (CAN/CSA B651-04)
- How greenhouse gas emissions impacts through the construction and operation of the infrastructure have been considered and, where applicable, will be reduced.

A.3 CATEGORY-SPECIFIC OBJECTIVES FOR THE COMMUNITIES COMPONENT

A.3.1 CORE NATIONAL HIGHWAY SYSTEM

Building Canada will promote investments in Canada's core National Highway System:

- To support Canada's trade and tourism flow, both inter-provincially and internationally.
- To increase the efficiency and improve the safety and mobility of the transportation system.
- To support new capacity, improved access to border crossings and multi-modal facilities, and safety and rehabilitation projects on highways that form part of the core National Highway System, including bridges.

Rehabilitation projects must meet the definition of 'rehabilitation' as agreed upon by the Council of Ministers in 2005. Intelligent Transportation Systems projects also will be eligible.

A.3.2 SHORT-SEA SHIPPING

Building Canada will stimulate investments that support short-sea shipping infrastructure:

- To promote Canada's competitiveness, trade and quality of life by helping to optimize the use of all transportation modes, and by contributing to the sustainability of the transportation system.
- To help reduce congestion on highways and at border crossings.

Eligible projects will include investments in new infrastructure, or the rehabilitation of existing infrastructure, to directly support short-sea shipping capacity and/or new routes (excluding vessels), such as specialized marine terminal intermodal facilities

and specialized loading/unloading capitalized equipment. In addition the procurement of technology and equipment used to improve the interface between the marine and rail/highways modes will also be eligible under this category.

A.3.3 SHORTLINE RAILWAYS

Building Canada will encourage investment in shortline railways:

- To promote Canada's competitiveness, trade and quality of life by helping to optimize the use of all transportation modes, and by contributing to the sustainability of the transportation system.
- To help reduce congestion on highways and at border crossings.

Eligible projects are limited to freight and will include the construction, rehabilitation and/or upgrading of tracks and structures for safe and efficient operations, and the construction of lines by shortline railway companies to allow a railway to serve new customers.

A.3.4 LOCAL AND REGIONAL AIRPORTS

Building Canada will support investments in local and regional airports:

- To promote Canada's regional economic development.
- To improve the efficiency and accessibility of these facilities.

Improvement projects must be financially supported by provincial/local/regional governments, and generate regional economic benefits and be sustainable on a long-term basis, as demonstrated by a sound business plan. The federal government will continue to provide the Airports Capital Assistance Program to support safety-related projects.

A.3.5 CONNECTIVITY AND BROADBAND

Building Canada funding in this category will be directed towards projects designed to:

- Improve the delivery of public services, such as government services, education and health;
- Improve quality of life, social development, reduce travel requirements, and increase the potential for innovation and economic development by connecting Canadians—particularly in rural and remote communities.

In order to promote competitiveness, funding criteria will require that the project proponents conduct a commercially and technologically neutral Request for Proposals. In addition, the projects will be required to provide for third-party open access.

A.3.6 TOURISM

Building Canada funding in this category will be directed towards the construction or improvement of convention centres or exhibition hall-type facilities that:

- Increase the number of visitors to the community, and the length and quality of stay of those visitors;
- Promote Canada or the region as a leading destination for Canadian and international visitors.

Funding criteria will require that proponents of convention centre or exhibition-hall type projects demonstrate that their projects will have a significant economic and/or regional impact.

A.4 A CLEAN ENVIRONMENT

Building Canada will support a cleaner environment through investments in:

A.4.1 WASTEWATER INFRASTRUCTURE

Building Canada will encourage investments in wastewater infrastructure designed to:

- Reduce the negative impacts of municipal wastewater effluent or storm-water effluent on human health and the environment;
- Improve the management of wastewater sludge;
- Improve the management and efficiency of municipal wastewater infrastructure or storm-water infrastructure;
- Improve the quality of treated municipal wastewater effluent and storm-water discharged into the environment.

Further, emphasis will be placed on projects that result in wastewater treated to a higher standard, usually a secondary level of treatment or better. In addition, projects will have to be supported by other measures that reduce the amount of pollution going into wastewater streams and that improve the management of wastewater infrastructure.

A.4.2 PUBLIC TRANSIT

Building Canada will encourage investments in public transit infrastructure:

- To support transit systems within cities, communities and urban regions to promote mobility and improved travel times, and to reduce urban congestion;
- To construct, improve or restore public transit infrastructure that contributes to

economic, environmental and social sustainability in Canada's cities and communities.

Large-scale transit infrastructure expansion projects will be required to incorporate Transportation Demand Management measures to help build ridership and improve environmental outcomes.

Furthermore, any public transit passenger infrastructure purchased with federal funding must be accessible for persons with disabilities.

A.4.3 GREEN ENERGY

Building Canada will stimulate investments in sustainable energy infrastructure that contribute to:

- Increased availability and/or security of Canada's clean energy supply;
- Increased availability of renewable energy;
- Improved air quality;
- Reduced greenhouse gas emissions.

Funding for projects in this category will be complementary to other initiatives under the Government of Canada's ecoEnergy plan, but will not duplicate them. Projects that feature renewable sources of energy generation, as well as district heating or cooling will be encouraged.

A.4.4 SOLID WASTE MANAGEMENT

Building Canada will promote investments in solid-waste processing infrastructure that can reduce the environmental impacts of this waste. As a result, funding criteria will emphasize the diversion of solid waste out of the waste stream as well as measures that support the reduction and management of solid waste.

A.5 STRONG AND PROSPEROUS COMMUNITIES

Building Canada will support investments in:

A.5.1 DRINKING WATER

Building Canada promotes long-term funding for water infrastructure projects designed to:

- Improve the safety, management, reliability and efficiency of Canada's drinking water treatment and distribution systems;
- Increase the number of households with access to safe drinking water that meets or exceeds the Guidelines for Canadian Drinking Water Quality;
- Improve protection and management of drinking water sources;

- Improve conservation of water.

Funding will focus on meeting treatment standards that emphasize the protection of human health. In addition, projects will have to be supported by other measures that improve the management of sources of drinking water, reduce demand and improve the management of drinking water infrastructure.

A.5.2 DISASTER MITIGATION

Building Canada investments will be directed towards projects that will reduce the vulnerability of a community or public infrastructure to the negative impacts of extreme natural events, including adverse events related to climate change.

Funding will be limited to structural mitigation projects, but must be supported by appropriate non-structural mitigation measures. In addition, projects must be supported by appropriate risk assessments that demonstrate the need for the structural mitigation.

A.5.3 BROWNFIELD REDEVELOPMENT

Building Canada investments will be directed towards projects designed to contribute to:

- The removal or neutralization of the negative effects of brownfields on communities and the environment by remediating and redeveloping these properties in a sustainable manner;
- More intense land use within cities and communities.

Funding criteria will require that any decontamination or remediation is done as part of a larger public infrastructure redevelopment project. Projects will also have to be supported by Environmental Site Assessments and remediation action plans.

A.5.4 LOCAL ROADS

Building Canada will support investments in local roads:

- To improve road safety, mobility and sustainability;
- To promote the rehabilitation of bridges, tunnels and other structures;
- To support economic and community development.

For large-scale investments, new capacity projects will be limited to major arterials and urban bypasses, and will require transit features as a key component. Projects must be compatible with official development plans or other strategies to promote the sustainable development of the municipal area in which they take place.

A.5.5 SPORT

Building Canada funding in this category will be directed towards projects designed to:

- Provide increased opportunities for sport activities that can improve the health of Canadians and strengthen Canadian communities;
- Provide increased opportunities for the development of Canadian athletes and/or the hosting of major amateur athletic events.

Funding criteria will require that proponents of sport infrastructure projects demonstrate that their project will have a significant economic and/or regional impact.

A.5.6 CULTURE

Building Canada funding in this category will be directed towards projects that:

- Support arts and/or designated heritage facilities;
- Help communities express, preserve, develop and promote their culture and/or heritage within Canada.

Funding criteria will require proponents of cultural infrastructure projects demonstrate that their project will have a significant economic and/or regional impact.

A.6 COLLABORATIVE PROJECTS

The Capacity Building component will be based on the following strategic objectives:

- promote the implementation of holistic approaches to public infrastructure planning and management, and sustainable community planning principles;
- encourage a culture of using integrated life cycle asset management as a decision-making approach;
- promote the integration of demand management in public infrastructure planning and management;
- encourage dissemination of project results to other municipalities; and
- support collaborative feasibility (studies for specific infrastructure projects which at the time of the study are not being actively considered for funding under the BCF) and planning studies on public infrastructure projects and issues.

SCHEDULE “B”

ELIGIBLE AND INELIGIBLE COSTS

B.1 ELIGIBLE COSTS

Subject to Section B.2, Eligible Costs will be all direct costs which are in Canada's opinion properly and reasonably incurred and paid by the Recipient for an eligible investment under a contract for goods or services necessary for the implementation of the Project. Eligible Costs will include only the following:

- a) the capital costs of acquiring, constructing or renovating a tangible capital asset, as defined and determined according to generally accepted accounting principles in Canada;
- b) the costs of joint communication activities (press releases, press conferences, translation, etc.) and road signage recognition;
- c) all planning (including plans and specifications) and assessment costs such as the costs of environmental planning, surveying, engineering, architectural supervision, testing and management consulting services, to a maximum of 15% of total eligible costs;
- d) the costs of engineering and environmental reviews, including environmental assessments and follow-up programs as defined in the *Canadian Environmental Assessment Act* and the costs of remedial activities, mitigation measures and follow-up identified in any environmental assessment;
- e) the costs of Project-related signage, lighting, Project markings and utility adjustments;
- f) costs of aboriginal consultation;
- g) the costs of developing and implementing innovative techniques for carrying out the Project;
- h) recipient audit and evaluation costs as specified in this Agreement;
- i) other costs that, in the opinion of Canada, are considered to be direct and necessary for the successful implementation of the Project and have been approved in writing prior to being incurred; and
- j) fifty percent (50%) of the direct incremental expenses incurred by the jurisdiction for the administration of the CC agreement and which Canada considers reasonable may be considered eligible costs, up to a maximum of two percent (2%) of the total provincial CC allocation. The proposed eligible costs are as follows:
 - i. salaries and/or fees of incremental staff hired to manage the program;

- ii. general administration of the program, including furniture, computer and telephone equipment and such other expenses as may reasonably be incurred in relation to program implementation;
 - iii. fees of consultants or contractors hired to carry out exceptional technical work or other studies directly related to program; and
 - iv. communications costs; and
- k) for Collaborative Projects (as referred to in Schedule A), the costs of planning, developing, and implementing;
- i. studies, strategies, or systems related to infrastructure integrated asset management, which may include software acquisition and implementation;
 - ii. studies, strategies, or systems related to infrastructure demand management;
 - iii. feasibility studies for specific infrastructure projects which at the time of the study are not being actively considered for funding under the BCF;
 - iv. Training directly related to an eligible subcategory; and
 - v. Provincial long-term infrastructure plans.

These costs may include incremental training, travel, salaries and other employee benefits of employees of the recipient directly engaged in these activities, as well as the costs of adapting methodologies and technologies, software acquisition and implementation, or other costs that are direct and necessary for the successful implementation of a project and that have been approved in advance, and in writing, by the Oversight Committee.

B.2 INELIGIBLE COSTS

The following costs are ineligible:

- a) costs incurred before approval of the project, in accordance with the Delegation of Authorities, as indicated in writing to the proponent by the Minister;
- b) costs incurred after the project completion date;
- c) the cost of developing a business case or proposal for funding;
- d) the cost of purchasing land and associated real estate and other fees;
- e) financing charges and interest payments on loans;
- f) leasing land, buildings, equipment and other facilities;
- g) general repairs and maintenance of a project work and related structures, unless

- they are part of a larger capital expansion project tied to capital expansion;
- h) services or works normally provided by the Recipient, incurred in the course of implementation of the Project, except those specified as eligible costs;
 - i) the cost of any goods and services which are received through donations or in kind;
 - j) employee wages and benefits, overhead costs as well as other direct or indirect operating, maintenance and administrative costs incurred by the Recipient, and more specifically costs relating to services delivered directly by permanent employees of the Recipient, or of a Crown corporation or corporation owned and controlled by the Recipient except as per Section B.1 j) and k) above or in cases where the Recipient can demonstrate value for money and that the costs are incremental;
 - k) provincial sales tax and Goods and Services Tax, for which the recipient is eligible for a rebate, and any other costs eligible for rebates;
 - l) legal fees; and
 - m) for the administration of this Agreement, ineligible project administration costs involve the salaries and benefits of non-incremental staff and general administration costs unrelated to program implementation.

SCHEDULE “C”

REPORTING, AUDIT AND EVALUATION

C.1 REPORTING

C.1.1 ANNUAL PROGRESS REPORT

An annual progress report must be submitted by British Columbia to Canada by June 30 of each year. The introduction must provide a general description of the program focusing on major achievements to date.

C.1.2 DETAILED PROGRAM STATUS:

- Provide summary information on the program progress with respect to the number, project category and amendments of both project applications and approved projects.
- Provide description of the Oversight Committee’s project screening and ranking process.

C.1.3 ENVIRONMENTAL ISSUES:

- Provide an overview about the status of significant unanticipated environmental issues related to approved projects and the proposed mitigation strategies to deal with these concerns.

C.1.4 BENEFITS:

- Provide an update of qualitative and quantitative program benefits (environmental, economic, social, cultural, safety, etc.) along with results or successes achieved during the fiscal year. British Columbia will ensure that appropriate data collection processes are in place to enable the capture and reporting of benefits.

C.1.5 FINANCIAL PERFORMANCE:

- Explain any variations from the notional allocation in the Contribution Agreement along with the intended course of action to remedy the situation.

C.1.6 RISK MANAGEMENT:

- Indicate any areas of concern on risk factors and proposed mitigation strategies affecting the schedule or the budget of the BCF program in British Columbia.
- Indicate any issues or risk factors that may affect completion of the program or projects as per original plans.

C.1.7 COMMUNICATION ACTIVITIES COMPLETED DURING THE FISCAL YEAR:

- Provide highlights of communication activities of the BCF program in British Columbia this fiscal year.

C.2 AUDIT

Two types of audits will be carried out;

- RECIPIENT AUDITS
- ANNUAL PROGRAM AUDITS

Both the recipient audits and the annual program audits will be carried out by accredited auditors in accordance with Generally Accepted Auditing Standards, (GAAS).

C.2.1 RECIPIENT AUDITS

C.2.1.1 OBJECTIVES

The key objectives of the recipient audits are to:

- Determine whether funds were expended for the purposes intended and with due regard to economy, efficiency and effectiveness;
- Determine recipient compliance with the Contribution Agreement; and,
- Ensure that program and financial information is complete, accurate and timely, in accordance with the terms and conditions of the Contribution Agreement.

The costs of carrying out these annual audits, will be equally shared by the Parties, and are recognized as eligible costs in accordance with Schedule B – Eligible and Ineligible Costs, of this Agreement.

C.2.1.2 RECIPIENT AUDIT PLANS

Each Oversight Committee is responsible for establishing and overseeing a recipient audit plan, using an agreed upon risk-based assessment approach. British Columbia will be responsible for managing and implementing the recipient audit plan, including any required corrective action. Infrastructure Canada (INFC) will provide a model risk assessment tool for use by the committees.

C.2.1.3 AUDIT DELIVERABLES AND TIMELINES

The frequency of deliverables and timelines of the recipient audits will be agreed to by the Oversight Committee and set forth in individual contribution agreements.

C.2.2 ANNUAL PROGRAM AUDITS

C.2.2.1 OBJECTIVES

The key objectives of the program audits are to:

- Assess the overall management of the Program by British Columbia;
- Determine whether funds were expended for the purposes intended and with due regard to economy, efficiency and effectiveness, by examining payment approval processes, including the nature and extent of supporting documentation, accuracy of claim information and evidence of proper authorizations and such other due diligence reviews as appropriate;
- Determine program compliance with appropriate legislation and follow-up processes;
- Ensure the program information and monitoring processes and systems are sufficient for the identification, capture, validation and monitoring of contributions to intended benefits; and,
- Ensure that prompt and timely corrective action is taken on audit findings and/or recommendations.

The costs of carrying out these audits will be cost shared by the Parties.

C.2.2.2 PROGRAM AUDIT PLANS

Each Oversight Committee is responsible for establishing, overseeing, managing and implementing an annual program audit plan, including any required corrective actions. The Oversight Committee will use an agreed upon risk-based assessment approach. INFC will provide a model risk assessment tool for use by the Oversight Committee.

Audit plans are to be developed based on a risk management approach and must specify:

- the audit objectives to be achieved for the year in question;
- the audit methodology;
- the level of resources (financial and human) to be allocated to provide assurance in the soundness of the management accountability framework;
- a clear understanding with respect to access to working papers by Canada and British Columbia; and
- the time frames for audits and public access to audit reports.

In some cases, there may be a requirement for a separate environmental audit to be undertaken. Audits may be posted on relevant websites of the departments/agencies and available under *Access to Information Act*.

C.2.2.3 AUDIT DELIVERABLES AND TIMELINES

A program audit will be performed each year. Depending upon the objectives of the audit, its scope will include both financial and non-financial data. The annual program audit is to be submitted to the Oversight Committee by June 30 of each year, commencing in June 2009.

Annual program audit reports will be tabled with the Oversight Committee.

Canada will rely on the audits carried out by the Oversight Committee to provide a national overview of the program.

C.3 EVALUATION

Due to the nature of the program and joint responsibility to demonstrate positive contributions to program outcomes, the evaluations for BCF will be performed jointly with the provinces and territories, subject to their agreement. INFC will lead the evaluation activities in collaboration with Provincial or Territorial representatives who will participate and co-manage the evaluations at the jurisdictional level and provide information as required to INFC. INFC will prepare a national report.

Canada will conduct the joint formative program evaluation for the BCF following the fourth year of program operations (2011-2012), in order to provide sufficient time to obtain the assurance that the design and delivery of BCF remain within the intended terms and conditions for the program life. The evaluation will use outcomes reporting from all jurisdictions as well as internal audit reports for the communities' component of the BCF.

The joint summative program evaluation for BCF will be conducted in fiscal year 2015-2016 and the report will be made available to Treasury Board Secretariat no later than September 2016. The report will be a public document. This evaluation will be used by INFC to harvest lessons learned for future design and delivery of infrastructure programs.

Costs associated with the national joint formative and summative evaluations will be borne by Canada.

Provinces/Territories or Municipalities may conduct their own evaluations but should consult Canada on evaluation design to ensure consistency in data collection, benchmarking and performance measurement.

SCHEDULE “D”

INFORMATION MANAGEMENT

This Information Management (IM) Schedule outlines the IM requirements for the Building Canada Fund (BCF). The key guiding principle is that Canada, British Columbia, Recipients and Applicants, have agreed to work together to manage information in accordance with the federal Policy on the Management of Government Information (MGI) and applicable provincial policies.

Federal government institutions must manage information in a way that protects privacy, supports informed policy and decision-making and ensures the provision of high-quality programs, services, and information through a variety of channels and in both official languages.

The MGI Policy is located at the following web site:

http://www.tbs-sct.gc.ca/pubs_pol/ciopubs/TB_GIH/pol

D.1 CANADA

The information collected and managed under this Agreement is “Canada Information.” Under the MGI Policy, the Deputy Head of Infrastructure Canada (INFC) is the official responsible for Canada Information. The Chief Information Officer, Information Management and Information Technology, INFC, has been designated as its senior executive accountable for ensuring implementation of MGI and related standards and guidelines. (Canada Information is defined in the next section.)

D.2 SHARED RESPONSIBILITY

The oversight of infrastructure agreements is a shared responsibility. The information collected, created and managed by the Oversight Committee established to oversee the Agreement is what is considered “Canada Information.”

D.3 APPLICANT AND BRITISH COLUMBIA

Information collected, created and managed by British Columbia, Recipients or Applicants, shared with Canada is also “Canada Information.” The MGI policy does not apply if the information was obtained in confidence. The applicable exemption is described in section 13.(1)(c) of the *Access to Information Act* of Canada, located at the following web site:

<http://laws.justice.gc.ca/en/A-1/index.html>

D.4 INFORMATION

Information is a valuable asset that Canada must manage as a public trust on behalf of Canadians. Effective information management makes government program and service delivery more efficient. It supports transparency, facilitates cooperation across organizations, and supports informed decision making in government operations, and preserves historically valuable information.

For BCF, the key areas of information collection are as follows:

- Detailed description of Project;
- Project review and selection framework;
- Eligible and ineligible costs;
- Disposal of assets;
- Environmental management;
- Audit and evaluation;
- Performance management (including benefits, and timelines);
- Risk management;
- Financial (claims and payments);
- Communications management.

D.5 SHARED INFORMATION MANAGEMENT SYSTEM (SIMSI)

Infrastructure Canada has established the Shared Information Management System for Infrastructure (SIMSI) to manage its Program-related information. SIMSI, a secure, user-friendly, bilingual, web-based information management system, assists BCF management and stakeholders in managing and tracking the multitude of projects that are initiated.

D.6 FILE CLASSIFICATION

File classification is a numbering system to ensure Canada Information is organized, stored and managed as a comprehensive record. A specific project record may contain information at many different locations. It is extremely important to use the same file classification wherever the pertinent information is located. INFC has established a file classification system and will share it with all BCF partners.

D.7 REPORTING

Well-organized information will assist BCF stakeholders in producing accurate and relevant reports. SIMSI is a powerful oversight tool that has the capacity to manage the Canada information throughout the entire project lifecycle, from eligibility and selection to project closeout requirements.

The Oversight Committee is responsible for ensuring that information captured in SIMSI is complete, accurate and up-to-date. Announced BCF projects will be published on the INFC public website. In addition, summary reports are produced for the benefit of parliamentarians, central agencies (departmental performance reports), research organizations and other interested parties.

Federal and British Columbia Partners will have access to reports on all their BCF information collected in SIMSI. The source of reports is the SIMSI Data Warehouse.

As mentioned in other BCF guidelines such as the Audit and Evaluation Guideline, project information can be used to produce annual audit reports and annual progress reports.

D.8 RETENTION AND DISPOSAL

British Columbia and the Recipient must keep all pertinent information a minimum of six years after completion of a project. Canada information is subject to the MGI Policy and consequently the *National Archives Act*. With the assistance of its BCF partners, INFC will set up a retention and disposal schedule for Canada Information. It is very likely that some of the information will be transferred to the National Archives at the end of the retention period because of its historical value.