

 COBOURG	THE CORPORATION OF THE TOWN OF COBOURG	
	STAFF REPORT	
TO:	Mayor and Council	
FROM: TITLE:	Laurie Wills Director of Public Works	
DATE OF MEETING:	August 24, 2020	
TITLE / SUBJECT:	Execute Transfer Payment Agreement with Investing in Canada Infrastructure Program (ICIP) – Transit Stream	
REPORT DATE:	August 12, 2020	File #:

1.0 STRATEGIC PLAN

Invest in programs, services and infrastructure to make Cobourg more accessible.

2.0 PUBLIC ENGAGEMENT

The Accessibility Advisory Committee and the Town's Accessibility Coordinator will be involved throughout the procurement process.

3.0 RECOMMENDATION

That the Town of Cobourg Council authorize execution of an agreement with Her Majesty the Queen in right of Ontario represented by the Minister of Agriculture, Food and Rural Affairs and the Corporation of the Town of Cobourg for the Investing in Canada Infrastructure Program Public Transit Stream - Replacement of Rolling Stock (3 Buses).

4.0 ORIGIN

Investing in Canada Infrastructure Program (ICIP) funding.

5.0 BACKGROUND

The useful life of the 30' conventional buses is 12 years. Both of the Town's conventional buses were purchased in 2009 and are due for replacement in 2021. The useful life of the 8m Wheels bus is 8 years and the Town's back up Wheels bus was due for replacement in 2014. This bus has been out of service for over a year and the Town has been utilizing the operating contractor's bus

as a back up vehicle.

In 2019, the Town of Cobourg entered into an agreement with the Metrolinx Transit Procurement Initiative (TPI) to take advantage of cost savings as well as to have the advantage of Metrolinx facilitating the acquisition process for transit bus procurement.

The Metrolinx TPI has become one of North America's most innovative transit procurement programs. Over 46 transit agencies across Ontario have participated in the program since 2006. Purchasing new buses through the Metrolinx procurement process typically results in better pricing for the Town of Cobourg because of the number of buses being ordered. In addition, the Town benefits from all the other procurement services that Metrolinx TPI provides, such as:

- Industry experienced TPI staff to develop detailed technical specifications, develop the RFP and manage the contract
- Enhanced contract terms and product warranties
- Increased quality control through in-plant inspection of buses
- Evaluation Committee made up of transit participants
- Fairness Commissioner services to oversee the procurement process, where applicable.
- Preparation of the Purchase Agreement for the Municipality

The outcome of the program is an approved list of a variety of vehicles that best suit the needs of the participating municipalities. The Town can then choose from the list, the most appropriate vehicle for its purpose.

6.0 ANALYSIS

A copy of the Transfer Payment Agreement is attached.

7.0 FINANCIAL IMPLICATIONS/BUDGET IMPACT

The total estimated cost for the project is \$1,240,454.40. The funding is split between the Provincial (33.33%) and Federal (40%) Governments, resulting in the Town's share being approximately \$330,829.19 (26.67%).

The 2020 Public Works budget is allocating \$160,000 for a new Wheels bus. In 2021, it is anticipated that a 50% deposit (~\$265,000) will be required to order a replacement 30' bus and 50% upon delivery in 2022. In 2022, it is anticipated that a 50% deposit (~\$265,000) will be required to order a second replacement 30' bus and 50% upon delivery in 2023.

All funding is required to be spent by 2029.

8.0 CONCLUSION

That the Town of Cobourg Council authorize execution of an agreement with Her Majesty the Queen in right of Ontario represented by the Minister of Agriculture, Food and Rural Affairs and the Corporation of the Town of Cobourg for the Investing in Canada Infrastructure Program Public Transit Stream - Replacement of Rolling Stock (3 Buses).

The Transfer Payment Agreement is now permitted to be submitted back to the Ministry electronically (Scanned PDF).

12.0 AUTHORIZATION/SIGNATURES

Approved By:

Brent Larmer, Municipal Clerk

Ian Davey, Treasurer/Director of Corporate Services

Department:

Clerks

Finance

**TRANSFER PAYMENT AGREEMENT
FOR THE INVESTING IN CANADA INFRASTRUCTURE PROGRAM (ICIP):
PUBLIC TRANSIT STREAM**

THIS TRANSFER PAYMENT AGREEMENT for the Investing in Canada Infrastructure Program (ICIP): Public Transit Stream (the “Agreement”) is effective as of the Effective Date.

B E T W E E N

Her Majesty the Queen in right of the Province of Ontario,
represented by the Minister of Transportation for the Province of Ontario

(the “**Province**”)

- and -

The Corporation of the Town of Cobourg

(the “**Recipient**”)

BACKGROUND

The Investing in Canada Infrastructure Program (“ICIP”) is a federal infrastructure program designed to create long-term economic growth, build inclusive, sustainable and resilient communities, and support a low-carbon economy.

The Government of Canada (“Canada”) announced, in its *Budget 2016* and *Budget 2017*, over \$180 billion for the ICIP to support sustainable and inclusive communities, while driving economic growth.

The federal Minister of Infrastructure, Communities and Intergovernmental Affairs and the provincial Minister of Infrastructure entered into the Canada-Ontario Integrated Bilateral Agreement for the Investing in Canada Infrastructure Program (“Bilateral Agreement”), for Canada to provide financial support to the Province.

Under the Bilateral Agreement, Canada agrees to provide contribution funding to Ontario under the public transit stream of ICIP.

Also, under the Bilateral Agreement, Ontario agrees to identify projects, including municipal projects, and be responsible for the transfer of ICIP and provincial funds to eligible municipalities pursuant to transfer payment agreements.

The Recipient has applied to the Province for ICIP funds to assist the Recipient in carrying out one or more public transit infrastructure projects.

The Province has submitted to Canada for approval and Canada has approved, in accordance with the terms and conditions set out in the Bilateral Agreement, the Project or Projects, as the case may be.

The Agreement sets out the terms and conditions upon which ICIP funds will be provided to the Recipient for carrying out the Project or Projects, as the case may be.

CONSIDERATION

In consideration of the mutual covenants and agreements contained in the Agreement and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the Province and the Recipient agree as follows:

1.0 ENTIRE AGREEMENT

1.1 Schedules and Sub-schedules to the Agreement. The following schedules and sub-schedules form part of the Agreement:

Schedule "A" - General Terms and Conditions

Schedule "B" - Specific Information

Schedule "C" - Project Description, Budget, Timelines, and Standards

Sub-schedule "C.1" - Project Description, Budget, and Timelines

Schedule "D" - Reports

Sub-schedule "D.1" - Project Tier Classification and Other Information

Schedule "E" - Eligible Expenditures and Ineligible Expenditures

Schedule "F" - Evaluation

Schedule "G" - Communications Protocol

Schedule "H" - Disposal of Assets

Schedule "I" - Aboriginal Consultation Protocol

Schedule "J" - Requests for Payment and Payment Procedures

Sub-schedule "J.1" - Form of Certificate from Recipient

Sub-schedule "J.2" - Form of Declaration of Project Substantial Completion

Sub-schedule "J.3" - Form of Certificate from a Professional Engineer for Project Substantial Completion

Sub-schedule "J.4" - Form of Certificate from an Independent Engineer to Certify Progress

Schedule "K" - Committee

1.2 Entire Agreement. The Agreement constitutes the entire agreement between the Parties in respect to the subject matter contained in the Agreement and supersedes all prior oral or written representations and agreements.

2.0 CONFLICT OR INCONSISTENCY

2.1 **Conflict or Inconsistency.** In the event of a conflict or inconsistency between any of the requirements of:

- (a) the main body of the Agreement and any of the requirements of a schedule or a sub-schedule, the main body of the Agreement will prevail to the extent of the conflict or inconsistency;
- (b) Schedule “A” (General Terms and Conditions) and any of the requirements of another schedule or a sub-schedule, Schedule “A” (General Terms and Conditions) will prevail to the extent of the conflict or inconsistency; or
- (c) a schedule and any of the requirements of a sub-schedule, the schedule will prevail to the extent of the conflict or inconsistency.

3.0 COUNTERPARTS

3.1 **One and the Same Agreement.** The Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

3.2 **Electronic Delivery.** The Agreement may be executed and delivered by scanning the manually signed Agreement as a PDF and delivering it by email to the other Party.

4.0 AMENDING THE AGREEMENT AND AGREEMENT REVIEW

4.1 **Amending the Agreement.** Subject to sections C.3.3 (Amending the Agreement for Minor Changes to the Project Description, Budget, and Timelines) and D.7.2 (Amending the Agreement for Minor Changes to the Reporting), the Agreement may only be amended by a written agreement duly executed by the representatives of the Parties listed on the signature page below.

4.2 **Agreement Review.** If, pursuant to section 25.10 (Review of Agreement) of the Bilateral Agreement, the Bilateral Agreement is reviewed after three or five years, or both, of the effective date of the Bilateral Agreement, and any changes to the Bilateral Agreement are required as a result, the Parties agree to amend the Agreement as necessary and consistent with such changes.

5.0 ACKNOWLEDGEMENT

5.1 **Acknowledgement from Recipient.** The Recipient acknowledges, in respect of each Project, that:

- (a) the Funds are to assist the Recipient to carry out the Project and not to provide goods or services to the Province or Canada;
- (b) the Province and Canada are not responsible for carrying out the Project;
- (c) the Province's and Canada's role in respect of the Project is limited to making a financial contribution to the Recipient for the Project, and the Province and Canada are not involved in the Project or its operation;
- (d) the Province and Canada are neither decision-makers nor administrators in respect of the Project;
- (e) the Province is bound by the *Freedom of Information and Protection of Privacy Act* (Ontario) and any information provided to the Province in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act; and
- (f) Canada is bound by the *Access to Information Act* (Canada) and any information provided to Canada by either the Province or the Recipient in connection with the Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

5.2 **Acknowledgement from Province.** The Province acknowledges that the Recipient is bound by the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario) and any information provided to the Recipient in connection with any Project or otherwise in connection with the Agreement may be subject to disclosure in accordance with that Act.

6.0 CANADA'S RIGHTS AND INFORMATION SHARING WITH CANADA

6.1 **Third Party Beneficiary.** The Recipient agrees that, although the Agreement is between the Province and the Recipient, Canada is, in respect of the rights, covenants, remedies, obligations, indemnities, and benefits (together referred to as "Rights") undertaken or given to Canada in the Agreement, a third party beneficiary under the Agreement and is entitled to rely upon and directly enforce those Rights as if Canada were a party to the Agreement.

6.2 **Sharing of Information with the Province and Canada.** The Recipient agrees that, consistent with section 6.1 (Third Party Beneficiary) and for the implementation of the Bilateral Agreement:

- (a) the Province or Canada, or both, and in respect of Canada either directly or through the Province, may, upon Notice to the Recipient, request additional information from the Recipient including, without limitation, information for any

determination under Article A.28.0 (Environmental Requirements and Assessments) and Article A.29.0 (Aboriginal Consultation);

- (b) if the Province or Canada, or both, provide the Recipient with Notice under paragraph 6.2(a), the Recipient will, within the timelines set out in the Notice, deliver the information to either the Province or Canada, or both, as required; and
- (c) the Province or Canada, or both, may share any information received from the Recipient pursuant to the Agreement with each other.

- SIGNATURE PAGE FOLLOWS -

The Parties have executed the Agreement on the dates set out below.

**HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF ONTARIO**, represented by the Minister of
Transportation for the Province of Ontario

Date

Name: Caroline Mulroney
Title: Minister

The Corporation of the Town of Cobourg

Date

Name: John Henderson
Title: Mayor

I have authority to bind the Recipient.

Date

Name: Brent Larmer
Title: Clerk

I have authority to bind the Recipient.

**SCHEDULE “A”
GENERAL TERMS AND CONDITIONS**

A.1.0 INTERPRETATION AND DEFINITIONS

A.1.1 **Interpretation.** For the purposes of interpretation:

- (a) words in the singular include the plural and vice-versa;
- (b) words in one gender include all genders;
- (c) the background and headings do not form part of the Agreement; they are for information and reference only and will not affect the interpretation of the Agreement;
- (d) any reference to dollars or currency will be in Canadian dollars and currency;
- (e) all accounting terms not otherwise defined in the Agreement have their ordinary meanings; and
- (f) “include”, “includes”, and “including” denote that the subsequent list is not exhaustive.

A.1.2 **Definitions.** In the Agreement, the following terms have the following meanings:

“**Aboriginal Community**” has the meaning ascribed to it in section I.1.1 (Definitions).

“**Aboriginal Consultation Record**” means the Aboriginal Consultation Record described in section I.3.1 (Requirements for Aboriginal Consultation Record).

“**Agreement**” means this agreement entered into between the Province and the Recipient, all of the schedules and sub-schedules listed in section 1.1 (Schedules and Sub-schedules to the Agreement), and any amending agreement entered into pursuant to section 4.1 (Amending the Agreement).

“**Asset**” means any real or personal property, or immovable or movable asset, acquired, purchased, constructed, rehabilitated, or improved, in whole or in part, with any of the Funds.

“**Authorities**” means any government authority, agency, body or department, whether federal, provincial, or municipal, having or claiming jurisdiction over the Agreement or any Project, or both.

“**Bilateral Agreement**” means the Canada-Ontario Integrated Bilateral Agreement for the Investing in Canada Infrastructure Program entered into between Canada and Her Majesty the Queen in right of Ontario, effective as of March 26, 2018.

“Budget” means, in respect of a Project, the Project budget set out in Sub-schedule “C.1” (Project Description, Budget, and Timelines).

“Business Day” means any working day, Monday to Friday inclusive, excluding statutory and other holidays, namely: New Year’s Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day; and any other day on which the Province has elected to be closed for business.

“Canada” means, unless the context requires otherwise, Her Majesty the Queen in right of Canada.

“Canadian Content Policy” means the *Ministry of Transportation Canadian Content for Transit Vehicle Procurement Policy*, as amended from time to time.

“Certificate from a Professional Engineer for Project Substantial Completion” means a Certificate from a Professional Engineer in the form set out in Sub-schedule “J.3” (Form of Certificate from a Professional Engineer for Project Substantial Completion).

“Certificate from an Independent Engineer to Certify Progress” means a Certificate from an Independent Engineer to Certify Progress in the form set out in Sub-schedule “J.4” (Form of Certificate from an Independent Engineer to Certify Progress).

“Committee” refers to a Committee established pursuant to section A.30.1 (Establishment of Committee).

“Communications Activities” means, but is not limited to, public or media events or ceremonies including key milestone events, news releases, reports, web and social media products or postings, blogs, news conferences, public notices, physical and digital signs, publications, success stories and vignettes, photos, videos, multi-media content, advertising campaigns, awareness campaigns, editorials, multi-media products, and all related communication materials under the Agreement.

“Contract” means a contract between the Recipient and a Third Party whereby the Third Party agrees to supply goods or services, or both, in respect of any Project in return for financial consideration.

“Declaration of Project Substantial Completion” means a Declaration of Project Substantial Completion in the form set out in Sub-schedule “J.2” (Form of Declaration of Project Substantial Completion).

“Effective Date” means the date of signature by the last signing party to the Agreement.

“Eligible Expenditures” means the costs in respect of each Project the Recipient has incurred and paid and that are eligible for payment under the terms and conditions of the Agreement, and that are further described in Schedule “E” (Eligible Expenditures and Ineligible Expenditures).

“Environmental Laws” means all applicable federal, provincial, or municipal laws, regulations, by-laws, orders, rules, policies, or guidelines respecting the protection of the natural environment, public, or occupational health or safety, and the manufacture, importation, handling, transportation, storage, disposal, and treatment of environmental contaminants and includes, without limitation, the *Environmental Protection Act* (Ontario), *Environmental Assessment Act* (Ontario), *Ontario Water Resources Act* (Ontario), *Canadian Environmental Protection Act, 1999* (Canada), *Canadian Environmental Assessment Act, 2012* (Canada), *Fisheries Act* (Canada), and *Navigation Protection Act* (Canada).

“Evaluation” means an evaluation in respect of any Project, the Projects or the ICIP as described in Article F.1.0 (Projects and ICIP Evaluations).

“Event of Default” has the meaning ascribed to it in section A.12.1 (Events of Default).

“Expiry Date” means the expiry date set out in Schedule “B” (Specific Information).

“Federal Approval Date” means the date on which Canada has approved a Project identified in Sub-schedule “C.1” (Project Description, Budget, and Timelines).

“Funding Year” means:

- (a) in the case of the first Funding Year, the period commencing on the Effective Date and ending on the following March 31; and
- (b) in the case of Funding Years subsequent to the first Funding Year, the period commencing on April 1 following the end of the previous Funding Year and ending on the following March 31 or the Expiry Date, whichever comes first.

“Funds” means the money the Province provides to the Recipient pursuant to the Agreement.

“Holdback” means the Holdback described in and to be paid in accordance with section A.4.12 (Retention of Contribution) and Article J.7.0 (Holdback).

“ICIP” means the federal infrastructure program described in the first paragraph of the “Background” to the Agreement.

“Indemnified Parties” means Her Majesty the Queen in right of Ontario and Her Majesty the Queen in right of Canada, and includes their respective ministers, officers, servants, agents, appointees, and employees.

“Ineligible Expenditures” means the costs in respect of each Project that are ineligible for contribution by the Province and Canada under the terms and conditions of the Agreement, and that are described in Schedule “E” (Eligible Expenditures and Ineligible Expenditures).

“Loss” means any cause of action, liability, loss, cost, damage, or expense (including legal, expert, and consultant fees) that anyone incurs or sustains as a result of or in connection with any Project or any part of the Agreement or the Bilateral Agreement.

“Maximum Funds” means the maximum Funds amount set out Schedule “B” (Specific Information).

“Notice” means any communication given or required to be given pursuant to the Agreement.

“Notice Period” means the period of time within which the Recipient is required to remedy an Event of Default, pursuant to paragraph A.12.3(b), and includes any such period or periods of time by which the Province extends that time in accordance with section A.12.4 (Recipient Not Remediating).

“Parties” means the Province and the Recipient.

“Party” means either the Province or the Recipient.

“Person” means, without limitation, a person, the Recipient, a Third Party, a corporation, or any other legal entity, and their officers, servants, employees, or agents.

“Proceeding” means any action, claim, demand, lawsuit, or other proceeding, whether in contract, tort (including negligence), or otherwise, that anyone makes, brings, or prosecutes as a result of or in connection with any Project or any part of the Agreement or the Bilateral Agreement.

“Progress Report” means the Progress Report described in Article D.1.0 (Progress Reports).

“Project Substantial Completion Date” means, in respect of any Project, the Project Substantial Completion Date indicated on the Declaration of Project Substantial Completion.

“Projects” means, collectively, the undertakings described in Sub-schedule “C.1” (Project Description, Budget, and Timelines), and **“Project”** means any one of them.

“Records Review” means any assessment the Province conducts pursuant to section A.7.4 (Records Review).

“Reports” means the reports described in Schedule “D” (Reports).

“Requirements of Law” means all applicable requirements, laws, statutes, codes, acts, ordinances, approvals, orders, decrees, injunctions, by-laws, rules, regulations, official plans, permits, licences, authorizations, directions, and agreements with all Authorities, and includes the Environmental Laws.

“Substantial Completion” or **“Substantially Completed”** means, in respect of any Project, that the Project can be used for the purpose for which it was intended.

“Term” means the period of time described in section A.3.1 (Term).

“Third Party” means any person or legal entity, other than a Party, who participates in the implementation of any Project by means of a Contract.

“Timelines” means the Project schedule described in Sub-schedule “C.1” (Project Description, Budget, and Timelines).

“Total Financial Assistance” means the total Project funding from all sources including, but not limited to, funding from federal, provincial, territorial, municipal, regional, band council, and Indigenous government sources; private sources; and in-kind contributions.

A.2.0 REPRESENTATIONS, WARRANTIES, AND COVENANTS

A.2.1 **General.** The Recipient represents, warrants, and covenants that, in respect of each Project:

- (a) it has, and will continue to have, the experience and expertise necessary to carry out the Project;
- (b) it is in compliance with, and will continue to comply with, all Requirements of Law related to any aspect of the Project, the Funds, or both;
- (c) unless otherwise provided for in the Agreement, any information the Recipient provided to the Province in support of its request for funds (including, without limitation, any information relating to any eligibility requirements) was true and complete at the time the Recipient provided it and will continue to be true and complete; and
- (d) any Funds received have not displaced, and will continue to not displace, the Recipient’s own funding and spending on public transit.

A.2.2 **Execution of Agreement.** The Recipient represents and warrants that it has:

- (a) the full power and authority to enter into the Agreement; and
- (b) taken all necessary actions to authorize the execution of the Agreement, including passing a municipal by-law authorizing the Recipient to enter into the Agreement.

A.2.3 **Governance.** The Recipient represents, warrants, and covenants that it has, will maintain in writing, and will follow:

- (a) procedures to enable the Recipient to manage Funds prudently and effectively;
- (b) procedures to enable the Recipient to complete each Project successfully;
- (c) procedures to enable the Recipient to identify risks to the completion of each Project and strategies to address the identified risks, all in a timely manner;
- (d) procedures to enable the preparation and submission of all Reports required pursuant to Article A.7.0 (Reporting, Accounting, and Review); and
- (e) procedures to enable the Recipient to address such other matters as the Recipient considers necessary to enable the Recipient to carry out its obligations under the Agreement.

A.2.4 **Supporting Proof.** Upon the request of the Province, the Recipient will provide the Province with proof of the matters referred to in this Article A.2.0 (Representations, Warranties, and Covenants).

A.3.0 TERM OF THE AGREEMENT AND SUBSTANTIAL COMPLETION

A.3.1 **Term.** The term of the Agreement will commence on the Effective Date and will expire on the Expiry Date, unless terminated earlier pursuant to Article A.11.0 (Termination on Notice) or Article A.12.0 (Event of Default, Corrective Action, and Termination for Default).

A.3.2 **Substantial Completion.** The Recipient will ensure that each Project is Substantially Completed on or before October 31, 2027.

A.4.0 FUNDS AND CARRYING OUT THE PROJECT

A.4.1 **Funds Provided.** The Province will:

- (a) provide the Recipient up to the Maximum Funds for the purpose of carrying out the Projects;

- (b) provide the Funds to the Recipient in accordance with the request for payment and payment procedures provided for in Schedule “J” (Requests for Payment and Payment Procedures); and
- (c) deposit the Funds into an account the Recipient designates, provided that the account:
 - (i) resides at a Canadian financial institution; and
 - (ii) is in the name of the Recipient.

A.4.2 Limitation on Payment of Funds. Despite section A.4.1 (Funds Provided):

- (a) in addition to any other limitation under the Agreement on the payment of Funds, the Province is not obligated to provide:
 - (i) any Funds to the Recipient until the Recipient fulfils the special conditions listed in section A.32.1 (Special Conditions); and
 - (ii) any instalment of Funds in respect of any Project until the Province and Canada are satisfied with the progress of the Project;
- (b) the Province may adjust the amount of Funds it provides to the Recipient in any Funding Year based upon the Province’s assessment of the information the Recipient provides to the Province pursuant to section A.7.2 (Preparation and Submission); and
- (c) any payment of Funds is subject to:
 - (i) the requirements of the *Financial Administration Act* (Ontario), including the availability of an appropriation by the Ontario Legislature that is sufficient and constitutes lawful authority for the payment;
 - (ii) ministerial funding levels in respect of transfer payments, the program under which the Agreement was made, or otherwise that are sufficient for the payment; and
 - (iii) Canada’s payment of funds to the Province, pursuant to the Bilateral Agreement, that are sufficient for the payment.

The Province may reduce or terminate the amount of Funds it provides to the Recipient in response to a reduction of appropriation, ministerial funding levels, or Canada’s payment of funds. Notwithstanding Article A.9.0 (Limitation of Liability and Indemnity), the Province will not be liable for any direct, indirect, consequential, exemplary, or punitive damages, regardless of the form of action, whether in contract or in tort (including negligence) or otherwise, arising from any

reduction or termination of Funds. If any changes to the Agreement, including changes in respect of any Project or Budget, are required as a result, the Parties agree to amend the Agreement accordingly.

A.4.3 **Use of Funds and Carry Out the Project.** The Recipient will, in respect of each Project, do all of the following:

- (a) carry out the Project in accordance with the Agreement;
- (b) use the Funds only for the purpose of carrying out the Project;
- (c) spend the Funds only in accordance with the Budget;
- (d) not use the Funds to cover any Ineligible Expenditure; and
- (e) not use the Funds to cover any Eligible Expenditure that has or will be funded or reimbursed by one or more of any third party, or ministry, department, agency, or organization of the Government of Ontario or of the Government of Canada.

A.4.4 **Interest-Bearing Account.** If the Province provides Funds before the Recipient's immediate need for the Funds, the Recipient will place the Funds in an interest-bearing account in the name of the Recipient at a Canadian financial institution.

A.4.5 **Interest.** If the Recipient earns any interest on the Funds, the Province may do either or both of the following:

- (a) deduct an amount equal to the interest from any further instalments of Funds;
- (b) demand from the Recipient the payment of an amount equal to the interest.

A.4.6 **Maximum Funds and Recovery of Excesses.** The Recipient acknowledges that:

- (a) the Funds available to it pursuant to the Agreement will not exceed the Maximum Funds;
- (b) if Canada's total contribution from all federal sources in respect of any Project exceeds, in the aggregate, the sum of the amounts set out in column I (Federal Contribution Towards the Total Eligible Expenditures of the Project) and column K (Other Federal Contribution Towards the Total Costs of the Project) of the Budget for that Project, the Province may recover the excess from the Recipient or reduce the contribution under the Agreement by an amount equal to the excess;
- (c) if the Province's total contribution from all provincial sources in respect of any Project exceeds the amount set out in column L (Provincial Contribution Towards the Total Eligible Expenditures of the Project) of the Budget for that Project, the

Province may recover the excess from the Recipient or reduce the contribution under the Agreement by an amount equal to the excess; and

- (d) if the Total Financial Assistance received in respect of any Project exceeds the amount set out in column H (Total Eligible Expenditures of the Project) of the Budget for that Project, the Province may, up to the Maximum Funds, recover the excess from the Recipient or reduce the contribution under the Agreement by an amount equal to the excess.

A.4.7 **Disclosure of Other Financial Assistance.** The Recipient will inform the Province promptly of any financial assistance received in respect of any Project.

A.4.8 **Rebates, Credits, and Refunds.** The Province will, in respect of any Project, calculate Funds based on the actual costs to the Recipient to carry out the Project, less any costs (including taxes) for which the Recipient has received, will receive, or is eligible to receive, a rebate, credit, or refund.

A.4.9 **Recipient's Acknowledgement of Responsibility for Project.** The Recipient will, in respect of any Project, assume full responsibility for the Project, including, without limitation:

- (a) complete, diligent, and timely Project implementation within the costs and timelines specified in the Agreement and in accordance with all other terms and conditions of the Agreement;
- (b) all of the costs of the Project, including, without limitation, unapproved expenditures, Ineligible Expenditures, and cost overruns, if any;
- (c) subsequent operation, maintenance, repair, rehabilitation, construction, demolition, or reconstruction, as required and in accordance with industry standards, and any related costs for the full lifecycle of the Project; and
- (d) the engineering work being undertaken in accordance with industry standards.

A.4.10 **Increase in Project Costs.** If, at any time during the Term and in respect of any Project, the Recipient determines that it will not be possible to complete the Project unless it expends amounts in excess of all funding available to it (a "Shortfall"), the Recipient will immediately notify the Province of that determination. If the Recipient so notifies the Province, it will, within 30 days of a request from the Province, provide a summary of the measures that it proposes to remedy the Shortfall. If the Province is not satisfied that the measures proposed will be adequate to remedy the Shortfall, then the Province may exercise one or more of the remedies available to it pursuant to section A.12.4 (Recipient Not Remediating).

A.4.11 **Recipient's Request for Payment and Payment Procedures.** The Recipient agrees to submit its requests for payment in accordance with the payment procedures provided for in Schedule "J" (Requests for Payment and Payment Procedures).

A.4.12 **Retention of Contribution.** The Province will retain a maximum of 10% of the provincial funding in respect of each Project (“Holdback”) up until the following conditions have been met:

- (a) the Recipient has fulfilled all of its obligations under the Agreement for the Project;
- (b) the Recipient has submitted a Declaration of Project Substantial Completion to the Province; and
- (c) the Parties have jointly carried out a final reconciliation, as set out in section J.6.1 (Final Reconciliation and Adjustments), and made any adjustments required in the circumstances.

A.5.0 RECIPIENT’S ACQUISITION OF GOODS OR SERVICES, CONTRACT PROVISIONS, AND DISPOSAL OF ASSETS

A.5.1 **Acquisition.** If the Recipient acquires goods, services, or both with the Funds, it will do so through a process that:

- (a) is fair, transparent, competitive, and consistent with value for money principles, or in a manner otherwise acceptable to Canada;
- (b) if applicable, is in accordance with the Canadian Free Trade Agreement and international agreements; and
- (c) is in compliance with the Canadian Content Policy, a copy of which the Province will provide to the Recipient.

A.5.2 **Non-Compliance with Acquisition Requirements.** If the Province or Canada determines that a Contract is awarded in a manner that is not in compliance with the requirements in section A.5.1 (Acquisition), upon giving Notice to the Recipient, the Province may consider the expenditures associated with the Contract to be an Ineligible Expenditure.

A.5.3 **Exemptions to Competitive Awarding.** Canada may consent to the provision of exemptions from competitive awarding of Contracts on a case-by-case basis, if the Recipient:

- (a) provides a written request indicating the business case rationale for the exemption, in advance of the Contract being awarded;
- (b) provides a consultant or contractor quote for market value; and

- (c) attests to:
 - (i) following value-for-money procurement processes for materials and sub-contracts; and
 - (ii) following its own policies and procedures.

A.5.4 **Contract Provisions.** The Recipient will ensure that all Contracts are consistent with and incorporate the relevant provisions of the Agreement. More specifically but without limiting the generality of the foregoing, the Recipient agrees to include provisions in all Contracts to ensure:

- (a) that proper and accurate accounts and records are kept and maintained as described in the Agreement including, but not limited to, in paragraph A.7.3(a);
- (b) that all applicable Requirements of Law including, without limitation, labour and human rights legislation, are complied with; and
- (c) that the Contract secures the respective rights of the Province and Canada, and any authorized representative or independent auditor identified by the Province or Canada, and the Auditor General of Ontario and the Auditor General of Canada to:
 - (i) inspect and audit the terms of any Contract, record or account in respect of any Project; and
 - (ii) have free and timely access to the Project sites and facilities, and any records, documentation or information, as contemplated pursuant to section A.7.5 (Inspection and Removal).

A.5.5 **Disposal of Assets.** The Recipient will not, unless in accordance with the terms and conditions set out in Schedule "H" (Disposal of Assets), sell, lease, encumber, or otherwise dispose, directly or indirectly, of any Asset.

A.6.0 CONFLICT OF INTEREST

A.6.1 **Conflict of Interest Includes.** For the purposes of this Article A.6.0 (Conflict of Interest), a conflict of interest includes any circumstances where:

- (a) the Recipient or any person who has the capacity to influence the Recipient's decisions has outside commitments, relationships, or financial interests that could, or could be seen by a reasonable person to interfere with the Recipient's objective, unbiased, and impartial judgment in respect of any Project or the use of the Funds, or both; or

- (b) a former public servant or public office holder to whom any post-employment, ethics and conflict of interest legislation, guidelines, codes, or policies of Canada apply will derive a direct benefit from the Agreement, unless the provision or receipt of such benefits complies with such legislation, guidelines, policies, or codes.

A.6.2 **No Conflict of Interest.** The Recipient will carry out each Project and use the Funds without an actual, potential, or perceived conflict of interest unless:

- (a) the Recipient:
 - (i) provides Notice to the Province disclosing the details of the actual, potential, or perceived conflict of interest; and
 - (ii) requests the consent of the Province to carry out the Project with an actual, potential, or perceived conflict of interest;
- (b) the Province consents in writing to the Recipient carrying out the Project with an actual, potential, or perceived conflict of interest; and
- (c) the Recipient complies with any terms and conditions the Province may prescribe in its consent.

A.7.0 REPORTING, ACCOUNTING, AND REVIEW

A.7.1 **Province and Canada Include.** For the purpose of sections A.7.4 (Records Review), A.7.5 (Inspection and Removal) and A.7.6 (Cooperation), "Province" includes Canada and any auditor or representative that the Province or Canada, or both, may identify.

A.7.2 **Preparation and Submission.** The Recipient will:

- (a) submit to the Province at the address referred to in section A.16.1 (Notice in Writing and Addressed):
 - (i) all Reports in accordance with the timelines and content requirements provided for in Schedule "D" (Reports); and
 - (ii) any other reports in accordance with any timelines and content requirements the Province may specify from time to time; and
- (b) ensure that all Reports and other reports are:
 - (i) completed to the satisfaction of the Province; and
 - (ii) signed by an authorized signing officer of the Recipient.

- A.7.3 **Record Maintenance.** The Recipient will keep and maintain for a period of seven years after the Expiry Date:
- (a) proper and accurate financial accounts and records, kept in a manner consistent with generally accepted accounting principles, including but not limited to its contracts, invoices, statements, receipts, and vouchers and any other evidence of payment relating to the Funds or otherwise to each Project; and
 - (b) all non-financial records and documents relating to the Funds or otherwise to each Project.
- A.7.4 **Records Review.** The Province may, at its own expense, upon 24 hours' Notice to the Recipient and during normal business hours, enter upon the Recipient's premises to conduct an audit or investigation of the Recipient regarding the Recipient's compliance with the Agreement, including assessing any of the following:
- (a) the truth of any of the Recipient's representations and warranties;
 - (b) the progress of any Project;
 - (c) the Recipient's allocation and expenditure of the Funds.
- A.7.5 **Inspection and Removal.** For the purposes of any Records Review, the Province may take one or more of the following actions:
- (a) inspect and copy any records or documents referred to in section A.7.3 (Record Maintenance); and
 - (b) remove any copies the Province makes pursuant to section A.7.5(a).
- A.7.6 **Cooperation.** To assist the Province in respect of its rights provided for in section A.7.5 (Inspection and Removal), the Recipient will cooperate with the Province by:
- (a) ensuring that the Province has access to the records and documents wherever they are located;
 - (b) coordinating access with any Third Party;
 - (c) assisting the Province to copy the records and documents;
 - (d) providing to the Province, in the form the Province specifies, any information the Province identifies; and
 - (e) carrying out any other activities the Province requests.

- A.7.7 **No Control of Records.** No provision of the Agreement will be construed so as to give the Province or Canada, or both, any control whatsoever over the Recipient's records.
- A.7.8 **Auditor General (Ontario and Canada).** The Province's rights under this Article A.7.0 (Reporting, Accounting, and Review) are in addition to any rights provided to the Auditor General of Ontario pursuant to section 9.2 of the *Auditor General Act (Ontario)* and to the Auditor General of Canada pursuant to section 7.1 of the *Auditor General Act (Canada)*.
- A.7.9 **Sharing of Audit Findings and Reports.** The Recipient acknowledges that Canada and the Province may:
- (a) inform each other, and any of their respective authorized representatives and auditors, that an audit is being conducted; and
 - (b) share the findings of any audit, including any audit report, with each other and any of their respective authorized representatives and auditors.
- A.7.10 **Evaluation.** The Recipient agrees to participate in any Evaluation and comply with the requirements for such Evaluation that are set out in Schedule "F" (Evaluation).
- A.7.11 **Calculations.** The Recipient will make all calculations and prepare all financial data to be submitted in accordance with the generally accepted accounting principles in effect in Canada. These will include, without limitation, those principles and standards approved or recommended from time to time by the Chartered Professional Accountants of Canada or the Public Sector Accounting Board, as applicable, or any successor institute, applied on a consistent basis.
- A.7.12 **Adverse Fact or Event.** The Recipient will inform the Province immediately of any fact or event of which it is aware that has or will compromise, wholly or in part, any Project.

A.8.0 COMMUNICATIONS REQUIREMENTS

- A.8.1 **Communications Protocol.** The Parties agree to be bound by the terms and conditions of the communications protocol provided for in Schedule "G" (Communications Protocol).

A.9.0 LIMITATION OF LIABILITY AND INDEMNITY

- A.9.1 **Province and Canada Limitation of Liability.** In no event will any of the Indemnified Parties be held liable for any damages, including direct, indirect, consequential, exemplary, or punitive damages, regardless of the form of action, whether in contract, tort (including negligence), or otherwise, for:

- (a) any injury to any Person, including, but not limited to, death, economic loss, or infringement of rights;
- (b) any damage to or loss or destruction of property of, any Person; or
- (c) any obligation of any Person, including, but not limited to, any obligation arising from a loan, capital lease, or other long-term obligation

in relation to the Agreement, the Bilateral Agreement, or any Project or Projects.

A.9.2 Indemnification of the Province and Canada. The Recipient will indemnify and hold harmless the Indemnified Parties from and against any Loss and any Proceeding based upon or occasioned by:

- (a) any injury to any Person, including, but not limited to, death, economic loss, or any infringement of rights;
- (b) any damage to, or loss or destruction of, property of any Person; or
- (c) any obligation of any Person, including, but not limited to, any obligation arising from a loan, capital lease, or other long-term obligation,

except to the extent to which such Loss or Proceeding is caused by the negligence or wilful misconduct of any Indemnified Party in the performance of that Indemnified Party's duties.

A.9.3 Recipient's Participation. The Recipient will, at its expense, to the extent requested by the Province or Canada, or both, participate in or conduct the defence of any Proceeding against any of the Indemnified Parties and any negotiations for their settlement.

A.9.4 Province's Election. The Province or Canada, or both, may elect to participate in, or conduct the defence of, any Proceeding by providing Notice to the Recipient of such election, without prejudice to any other rights or remedies of the Province under the Agreement or of the Province or Canada under the Bilateral Agreement, at law or in equity. If the Province, Canada, or the Recipient, as applicable, participates in the defence, it will do so by actively participating with the other's counsel.

A.9.5 Settlement Authority. The Recipient will not enter into a settlement of any Proceeding against any of the Indemnified Parties unless the Recipient has obtained from the Province or Canada, as applicable, prior written approval or a waiver of this requirement. If the Recipient is requested by the Province or Canada to participate in or conduct the defence of any Proceeding, the Province or Canada, as applicable, will cooperate with and assist the Recipient to the fullest extent possible in the Proceeding and any related settlement negotiations.

A.9.6 **Recipient's Cooperation.** If the Province or Canada conducts the defence of any Proceeding, the Recipient will cooperate with and assist the Province or Canada, as applicable, to the fullest extent possible in the Proceeding and any related settlement negotiations.

A.10.0 INSURANCE

A.10.1 **Recipient's Insurance.** The Recipient represents, warrants, and covenants that it has, and will maintain at its own cost and expense, with insurers having a secure A.M. Best rating of B+ or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person carrying out a project similar to the Projects would maintain, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury, and property damage, to an inclusive limit of not less than \$2,000,000.00 per occurrence, which commercial general liability insurance policy will include the following:

- (a) the Indemnified Parties as additional insureds in respect of liability arising in the course of performance of the Recipient's obligations under, or otherwise in connection with, the Agreement;
- (b) a cross-liability clause;
- (c) contractual liability coverage; and
- (d) a 30-day written notice of cancellation.

A.10.2 **Proof of Insurance.** The Recipient will:

- (a) provide to the Province, either:
 - (i) annually, certificates of insurance that confirm the insurance coverage as provided in section A.10.1 (Recipient's Insurance); or
 - (ii) other proof that confirms the insurance coverage as provided for in section A.10.1 (Recipient's Insurance); and
- (b) at the Province's request, the Recipient will provide to the Province a copy of any of the Recipient's insurance policies that relate to the Project or otherwise to the Agreement or both.

A.11.0 TERMINATION ON NOTICE

A.11.1 **Termination on Notice.** The Province may terminate the Agreement at any time without liability, penalty, or costs upon giving at least 30 days' Notice to the Recipient.

A.11.2 Consequences of Termination on Notice by the Province. If the Province terminates the Agreement pursuant to section A.11.1 (Termination on Notice), the Province may take one or more of the following actions:

- (a) cancel all further instalments of Funds;
- (b) demand the payment of any Funds remaining in the possession or under the control of the Recipient; and
- (c) determine the reasonable costs for the Recipient to wind down any Project or the Projects, as applicable, and do either or both of the following:
 - (i) permit the Recipient to offset such costs against the amount the Recipient owes pursuant to paragraph A.11.2(b); and
 - (ii) subject to paragraph A.4.1(a), provide Funds to the Recipient to cover such costs.

A.12.0 EVENT OF DEFAULT, CORRECTIVE ACTION, AND TERMINATION FOR DEFAULT

A.12.1 Events of Default. It will constitute an Event of Default if, in the opinion of the Province, the Recipient breaches any representation, warranty, covenant, or other material term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:

- (a) carry out any Project in whole or in part;
- (b) use or spend Funds; or
- (c) provide, in accordance with section A.7.2 (Preparation and Submission), Reports or such other reports as the Province may have requested pursuant to paragraph A.7.2(b).

A.12.2 Consequences of Events of Default and Corrective Action. If an Event of Default occurs, the Province may, at any time, take one or more of the following actions:

- (a) initiate any action the Province considers necessary in order to facilitate the successful continuation or completion of any Project;
- (b) provide the Recipient with an opportunity to remedy the Event of Default;
- (c) suspend the payment of Funds for such period as the Province determines appropriate;

- (d) reduce the amount of the Funds;
- (e) cancel all further instalments of Funds;
- (f) demand from the Recipient the payment of any Funds remaining in the possession or under the control of the Recipient;
- (g) demand from the Recipient the payment of an amount equal to any Funds the Recipient used, but did not use in accordance with the Agreement;
- (h) demand from the Recipient the repayment of an amount equal to any Funds the Province provided to the Recipient;
- (i) demand from the Recipient an amount equal to the costs the Province incurred or incurs to enforce its rights under the Agreement, including the costs of any Records Review and the costs it incurs to collect any amounts the Recipient owes to the Province; and
- (j) terminate the Agreement at any time, including immediately, without liability, penalty, or costs to the Province upon giving Notice to the Recipient.

A.12.3 **Opportunity to Remedy.** If, in accordance with paragraph A.12.2(b), the Province provides the Recipient with an opportunity to remedy the Event of Default, the Province will provide Notice to the Recipient of:

- (a) the particulars of the Event of Default; and
- (b) the Notice Period.

A.12.4 **Recipient Not Remediating.** If the Province provided the Recipient with an opportunity to remedy the Event of Default pursuant to paragraph A.12.2(b), and:

- (a) the Recipient does not remedy the Event of Default within the Notice Period;
- (b) it becomes apparent to the Province that the Recipient cannot completely remedy the Event of Default within the Notice Period; or
- (c) the Recipient is not proceeding to remedy the Event of Default in a way that is satisfactory to the Province,

the Province may extend the Notice Period, or initiate any one or more of the actions provided for in paragraphs A.12.2(a), (c), (d), (e), (f), (g), (h), (i), and (j).

A.12.5 **When Termination Effective.** Termination under this Article A.12.0 (Event of Default, Corrective Action, and Termination for Default) will take effect as provided for in the Notice.

A.13.0 FUNDS AT THE END OF A FUNDING YEAR

A.13.1 **Funds at the End of a Funding Year.** Without limiting any rights of the Province under Article A.12.0 (Event of Default, Corrective Action, and Termination for Default), if, in respect of any Project, the Recipient has not spent all of the Funds allocated for the Funding Year as provided for in the Budget for that Project, the Province may take one or both of the following actions:

- (a) demand from the Recipient payment of the unspent Funds; and
- (b) adjust the amount of any further instalments of Funds accordingly.

A.13.2 **Effect of Action Taken by the Province.** If the Province takes any action under section A.13.1 (Funds at the End of a Funding Year), the Parties will review the effect of such action on the overall implementation of the Project and may amend the Agreement.

A.14.0 FUNDS UPON EXPIRY

A.14.1 **Funds Upon Expiry.** The Recipient will, upon expiry of the Agreement, pay to the Province any Funds remaining in its possession, under its control, or both.

A.15.0 DEBT DUE AND PAYMENT

A.15.1 **Payment of Overpayment.** If at any time the Province provides Funds in excess of the amount the Recipient is entitled to under the Agreement, the Province may:

- (a) deduct an amount equal to the excess Funds from any further instalments of Funds; or
- (b) demand that the Recipient pay to the Province an amount equal to the excess Funds.

A.15.2 **Debt Due.** If, pursuant to the Agreement:

- (a) the Province demands from the Recipient the payment of any Funds, an amount equal to any Funds or any other amounts owing under the Agreement; or

- (b) the Recipient owes to the Province any Funds, an amount equal to any Funds, or any other amounts owing under the Agreement, whether or not the Province has demanded their payment,

such amounts will be deemed to be debts due and owing to the Province by the Recipient, and the Recipient will pay the amounts to the Province immediately, unless the Province directs otherwise.

A.15.3 **Interest Rate.** The Province may charge the Recipient interest on any money owing to the Province by the Recipient under the Agreement at the then-current interest rate charged by the Province of Ontario on accounts receivable.

A.15.4 **Payment of Money to Province.** The Recipient will pay any money owing to the Province by cheque payable to the “Ontario Minister of Finance” and delivered to the Province at the address set out in Schedule “B” (Specific Information) for the purposes of Notice to the Province.

A.15.5 **Failure to Repay.** Without limiting the application of section 43 of the *Financial Administration Act* (Ontario), if the Recipient fails to pay any amount owing under the Agreement, Her Majesty the Queen in right of Ontario may deduct any unpaid amount from any money payable to the Recipient by Her Majesty the Queen in right of Ontario.

A.16.0 NOTICE

A.16.1 **Notice in Writing and Addressed.** Notice will be:

- (a) in writing;
- (b) delivered by email, postage-prepaid mail, personal delivery, or courier; and
- (c) addressed to the Province and the Recipient as set out in Schedule “B” (Specific Information), or as either Party later designates to the other by Notice.

A.16.2 **Notice Given.** Notice will be deemed to have been given:

- (a) in the case of postage-prepaid mail, five Business Days after the Notice is delivered; and
- (b) in the case of email, personal delivery, or courier, on the date on which the Notice is delivered.

A.16.3 **Postal Disruption.** Despite paragraph A.16.2(a), in the event of a postal disruption:

- (a) Notice by postage-prepaid mail will not be deemed to be given; and

- (b) the Party giving Notice will provide Notice by email, personal delivery, or courier.

A.17.0 CONSENT BY PROVINCE OR CANADA AND COMPLIANCE BY RECIPIENT

A.17.1 **Consent.** When the Province or Canada provides its consent pursuant to the Agreement:

- (a) it will do so by Notice;
- (b) it may attach any terms and conditions to the consent; and
- (c) the Recipient may rely on the consent only if the Recipient complies with any terms and conditions the Province or Canada may have attached to the consent.

A.18.0 SEVERABILITY OF PROVISIONS

A.18.1 **Invalidity or Unenforceability of Any Provision.** The invalidity or unenforceability of any provision of the Agreement will not affect the validity or enforceability of any other provision of the Agreement.

A.19.0 WAIVER

A.19.1 **Waiver Request.** Either Party may, by Notice, ask the other Party to waive an obligation under the Agreement.

A.19.2 **Waiver Applies.** If in response to a request made pursuant to section A.19.1 (Waiver Request) a Party consents to a waiver, the waiver will:

- (a) be valid only if the Party that consents to the waiver provides the consent by Notice; and
- (b) apply only to the specific obligation referred to in the waiver.

A.19.3 **Waivers in Writing.** If a Party fails to comply with any term of the Agreement, that Party may only rely on a waiver of the other Party if the other Party has provided a written waiver in accordance with the Notice provisions in Article A.16.0 (Notice). Any waiver must refer to a specific failure to comply and will not have the effect of waiving any subsequent failures to comply.

A.20.0 INDEPENDENT PARTIES

A.20.1 **Parties Independent.** The Recipient is not an agent, joint venturer, partner, or

employee of either the Province or Canada, and the Recipient will not represent itself in any way that might be taken by a reasonable person to suggest that it is, or take any actions that could establish or imply such a relationship.

A.20.2 **No Authority to Represent.** Nothing in the Agreement is to be construed as authorizing any Person, including a Third Party, to contract for or to incur any obligation on behalf of the Province or Canada, or both, or to act as an agent for the Province or Canada. The Recipient will take the necessary action to ensure that any Contract between the Recipient and a Third Party contains a provision to that effect.

A.21.0 ASSIGNMENT OF AGREEMENT OR FUNDS

A.21.1 **No Assignment.** The Recipient will not, without the prior written consent of the Province, assign any of its rights or obligations under the Agreement.

A.21.2 **Agreement Binding.** All rights and obligations contained in the Agreement will extend to and be binding on:

- (a) the Recipient's successors and permitted assigns; and
- (b) the successors to Her Majesty the Queen in right of Ontario.

A.22.0 GOVERNING LAW

A.22.1 **Governing Law.** The Agreement and the rights, obligations, and relations of the Parties will be governed by and construed in accordance with the laws of the Province of Ontario and the applicable federal laws of Canada. Any actions or proceedings arising in connection with the Agreement will be conducted in the courts of Ontario, which will have exclusive jurisdiction over such proceedings.

A.23.0 FURTHER ASSURANCES

A.23.1 **Agreement into Effect.** The Recipient will:

- (a) provide such further assurances as the Province may request from time to time in respect to any matter to which the Agreement pertains; and
- (b) do or cause to be done all acts or things necessary to implement and carry into effect the terms and conditions of the Agreement to their full extent.

A.24.0 JOINT AND SEVERAL LIABILITY

A.24.1 **Joint and Several Liability.** Where the Recipient is comprised of more than one

entity, each entity will be jointly and severally liable to the Province for the fulfillment of the obligations of the Recipient under the Agreement.

A.25.0 RIGHTS AND REMEDIES CUMULATIVE

A.25.1 **Rights and Remedies Cumulative.** The rights and remedies of the Province under the Agreement are cumulative and are in addition to, and not in substitution for, any of its rights and remedies provided by law or in equity.

A.26.0 FAILURE TO COMPLY WITH OTHER AGREEMENTS

A.26.1 **Other Agreements.** If the Recipient:

- (a) has failed to comply with any term, condition, or obligation under any other agreement with Her Majesty the Queen in right of Ontario or one of Her agencies (a "Failure");
- (b) has been provided with notice of such Failure in accordance with the requirements of such other agreement;
- (c) has, if applicable, failed to rectify such Failure in accordance with the requirements of such other agreement; and
- (d) such Failure is continuing,

the Province may suspend the payment of Funds for such period as the Province determines appropriate.

A.27.0 SURVIVAL

A.27.1 **Survival.** Any rights and obligations of the Parties that, by their nature, extend beyond the termination of the Agreement will continue in full force and effect for a period of seven years from the date of expiry or termination of the Agreement. Surviving provisions include, without limitation, the following Articles, sections and paragraphs, and all applicable cross-referenced Articles, sections, paragraphs, schedules, and sub-schedules: Articles 1.0 (Entire Agreement), 2.0 (Conflict or Inconsistency), 5.0 (Acknowledgement), 6.0 (Canada's Rights and Information Sharing with Canada), A.1.0 (Interpretation and Definitions) and any other applicable definitions, paragraphs A.2.1(a), A.4.2(c), sections A.4.4 (Interest-Bearing Account), A.4.5 (Interest), A.4.8 (Rebates, Credits, and Refunds), A.5.5 (Disposal of Assets), A.7.1 (Province and Canada Include), A.7.2 (Preparation and Submission) (to the extent that the Recipient has not provided the Reports or other reports as may have been requested to the satisfaction of the Province), A.7.3 (Record Maintenance), A.7.4 (Records Review),

A.7.5 (Inspection and Removal), A.7.6 (Cooperation), A.7.7 (No Control of Records), A.7.8 (Auditor General (Ontario and Canada)), A.7.9 (Sharing of Audit Findings and Reports), A.7.10 (Evaluation), A.7.11 (Calculations), Articles A.8.0 (Communications Requirements), A.9.0 (Limitation of Liability and Indemnity), sections A.11.2 (Consequences of Termination on Notice by the Province), A.12.1 (Events of Default), paragraphs A.12.2(d), (e), (f), (g), (h), (i) and (j), Articles A.13.0 (Funds at the End of a Funding Year), A.14.0 (Funds Upon Expiry), A.15.0 (Debt Due and Payment), A.16.0 (Notice), and A.18.0 (Severability of Provisions), section A.21.2 (Agreement Binding), and Articles A.22.0 (Governing Law), A.24.0 (Joint and Several Liability), A.25.0 (Rights and Remedies Cumulative), A.27.0 (Survival), A.28.0 (Environmental Requirements and Assessments), A.29.0 (Aboriginal Consultation), and A.32.0 (Special Conditions).

A.28.0 ENVIRONMENTAL REQUIREMENTS AND ASSESSMENTS

A.28.1 **Federal Environmental Requirements.** Without limitation to the Recipient's obligations to comply with Environmental Laws and for greater clarity:

- (a) no site preparation, removal of vegetation or construction will occur in respect of any Project; and
- (b) the Province will have no obligation to pay any Eligible Expenditures that are capital costs, as determined by the Province, until Canada is satisfied that federal requirements are met, and continue to be met, under the following:
 - (i) *Canadian Environmental Assessment Act, 2012*;
 - (ii) other applicable environmental assessment legislation that is or may come into force during the term of the Agreement; and
 - (iii) other applicable agreements between Canada and Aboriginal Communities.

A.28.2 **Assessments.** The Recipient will complete the assessments that are required in Sub-schedule "D.1" (Project Tier Classification and Other Information) and are further described in Schedule "D" (Reports).

A.29.0 ABORIGINAL CONSULTATION

A.29.1 **Aboriginal Consultation Protocol.** The Parties agree to be bound by the terms and conditions of the Aboriginal Consultation Protocol provided for in Schedule "I" (Aboriginal Consultation Protocol).

A.29.2 **Legal Duty to Consult.** Until Canada and, if applicable, the Province are satisfied that any legal duty to consult and, where appropriate, to accommodate Aboriginal Communities, or any other federal consultation requirement, has been, and continues

to be met:

- (a) no site preparation, removal of vegetation or construction will occur in respect of any Project; and
- (b) the Province has no obligation to pay any Eligible Expenditures that are capital costs, as determined by the Province and Canada; and, for any Project requiring consultation, Canada and, if applicable, the Province must be satisfied that:
 - (i) Aboriginal Communities have been notified and, if applicable, consulted;
 - (ii) where consultation has occurred, the Recipient has provided a summary of consultation or engagement activities, including a list of Aboriginal Communities consulted, concerns raised, and how each of the concerns have been addressed or, if not addressed, an explanation as to why not;
 - (iii) the Recipient is carrying out accommodation measures, where appropriate; and
 - (iv) any other information has been provided which Canada or Ontario, or both, may deem appropriate.

A.29.3 **Funding Conditional upon Meeting Aboriginal Consultation Obligations.** No funds will be provided to the Recipient under the Agreement unless Canada and, if applicable in the opinion of the Province, the Province are satisfied that their respective obligations have been met in respect of the legal duty to consult and, if applicable, accommodate any Aboriginal Community.

A.30.0 COMMITTEE

A.30.1 **Establishment of Committee.** The Province may, at its sole discretion, require the establishment of a committee to oversee the Agreement (the “Committee”).

A.30.2 **Notice of Establishment of Committee.** Upon Notice from the Province, the Parties will hold an initial meeting to establish, in accordance with Schedule “K” (Committee), the Committee described in section A.30.1 (Establishment of Committee).

A.31.0 DISPUTE RESOLUTION

A.31.1 **Contentious Issues.** The Parties will keep each other informed of any issues that could be contentious.

A.31.2 **Examination by the Committee and Parties.** If a contentious issue arises and a Committee has been established under section A.30.1 (Establishment of Committee),

the Parties will refer the contentious issue that may arise to the Committee for examination. In the absence of a Committee, the Parties will examine the contentious issue.

- A.31.3 **Potential Dispute Resolution by Committee.** The Committee or the Parties, as the case may be, will attempt, reasonably and in good faith, to resolve disputes as soon as possible and, in any event, within, for the Committee, 30 days, or, for the Parties, 90 days of receiving Notice of a contentious issue.
- A.31.4 **Dispute Resolution by the Parties.** If the Committee cannot agree on a resolution, the matter will be referred to the Parties for resolution. The Parties will provide a decision within 60 Business Days of the Notice.
- A.31.5 **Alternative Mechanisms for Dispute Resolutions.** Where the Parties cannot agree on a resolution, the Parties may use any alternative dispute resolution mechanisms available to them to resolve the issue.
- A.31.6 **Suspension of Payments.** The Province may suspend any payments related to any contentious issue or dispute raised by either Party, together with the obligations related to such issue, pending resolution.

A.32.0 SPECIAL CONDITIONS

- A.32.1 **Special Conditions.** The Province's funding under the Agreement is conditional upon,
- (a) on or before the Effective Date, the Recipient having provided the Province with:
 - (i) evidence satisfactory to the Province that the Recipient's council has passed a municipal by-law authorizing the Recipient to execute the Agreement;
 - (ii) the certificates of insurance or any other proof the Province may request pursuant to section A.10.2 (Proof of Insurance); and
 - (iii) banking information, such as a void cheque or a bank letter, for an interest-bearing account in the name of the Recipient at a Canadian financial institution, into which the Province may transfer funds electronically.
 - (b) prior to submitting a request for payment in respect of any Project under the Agreement,
 - (i) the Recipient having provided the Province with written confirmation that:

- a. the Recipient is in compliance with all Environmental Laws, including the Recipient's obligations under section A.28.1 (Federal Environmental Requirements), and has obtained all necessary approvals and permits;
 - b. the Recipient has met any requirements under Article A.29.0 (Aboriginal Consultation) that may apply to the Project; and
 - c. if the Recipient does not own the land on which the Project is to be carried out, the Recipient has entered into legally binding agreements with all owners of such land, which agreements are consistent with, and incorporates the relevant provisions of the Agreement; and
- (ii) the Recipient having provided the Province with any required assessments pursuant to Article A.28.0 (Environmental Requirements and Assessments); and
- (c) the Recipient having submitted, in a form and at an address supplied by the Province, an asset management self-assessment on or before the Effective Date, and, thereafter, on or before February 1 in each of the years 2021, 2023 and 2024, unless the Projects have reached Substantial Completion before such date.

For greater certainty, if the Province provides any Funds to the Recipient before the conditions set out in this Article A.32.0 (Special Conditions) have been met, and unless the Province has waived compliance with such condition in writing, the Province may exercise one or more of the remedies available to it pursuant to section A.12.2 (Consequences of Event of Default and Corrective Action).

END OF GENERAL TERMS AND CONDITIONS

SCHEDULE "B"
SPECIFIC INFORMATION

Maximum Funds*	\$909,625.21
Expiry Date	March 31, 2029
Contact information for the purposes of Notice to the Province	<p>Address: Strategic Investments Office Municipal Programs Branch Ontario Ministry of Transportation 777 Bay Street, 30th Floor Toronto ON M7A 2J8</p> <p>Phone: 416-585-7637 Email: ICIPTransit@ontario.ca</p>
Contact information for the purposes of Notice to the Recipient	<p>Position: Director of Public Works Address: 740 Division Street Building 7 Cobourg, ON K9A 0H6</p> <p>Phone: 905 372 9971 Email: lwills@cobourg.ca</p>
Authorized Representative of the Province for the purpose of sections C.3.3 (Amending the Agreement for Minor Changes to the Project Description, Budget, and Timelines) and D.7.2 (Amending the Agreement for Minor Changes to the Reporting)	<p>Position: Director, Municipal Programs Branch; or Director, Capital Project Oversight Branch</p>

<p>Authorized Representative designated by the Recipient for the purpose of sections C.3.3 (Amending the Agreement for Minor Changes to the Project Description, Budget, and Timelines) and D.7.2 (Amending the Agreement for Minor Changes to the Reporting)</p>	<p>Position: Director of Public Works</p>
<p>Contact Information for the senior financial person in the Recipient organization (e.g., CFO, CAO) - to respond to requests from the Province related to the Agreement</p>	<p>Position: Director of Public Works Address: 740 Division Street Building 7 Cobourg, ON K9A 0H6 Phone: 905 372 9971 Email: lwills@cobourg.ca</p>

***Note:** For greater clarity, neither the Province nor Canada will contribute Funds in respect of any Project that exceed their proportional share of the Eligible Expenditures for that Project, as set out in column J (Federal Funding Rate of the Total Eligible Expenditures of the Project) and column M (Provincial Funding Rate of the Total Eligible Expenditures of the Project) in Sub-schedule "C.1" (Project Description, Budget, and Timelines).

**SCHEDULE “C”
PROJECT DESCRIPTION, BUDGET, TIMELINES, AND STANDARDS**

C.1.0 PROJECT DESCRIPTION, BUDGET, AND TIMELINES

C.1.1 **Project Description.** The Recipient will carry out each Project described in Sub-schedule “C.1” (Project Description, Budget, and Timelines).

C.1.2 **Budget and Timelines.** The Recipient will carry out each Project within the Budget and Timelines for that Project set out in Sub-schedule “C.1” (Project Description, Budget, and Timelines).

C.2.0 PROJECT STANDARDS

C.2.1 **Canada’s Requirements for Standards.** In addition to any other standards that the Recipient must meet or exceed for the Project, the Recipient will ensure the Project meets or exceeds the following:

- (a) any applicable energy efficiency standards for buildings outlined in Canada’s *Pan-Canadian Framework on Clean Growth and Climate Change* provided by Canada at www.canada.ca/en/services/environment/weather/climatechange/pan-canadian-framework.html, or at any other location the Province may provide; and
- (b) the accessibility requirements of the highest accessibility standards published in Ontario, in addition to accessibility requirements in applicable provincial building codes and relevant municipal by-laws.

C.3.0 CHANGES TO THE PROJECT DESCRIPTION, BUDGET, AND TIMELINES

C.3.1 **Province’s and Canada’s Consent.** Any change to the Project will require the Province’s and Canada’s consent. When seeking to make a change in respect of any Project, the Recipient will submit updated Project information and any other information that the Province or Canada, or both, may require to the satisfaction of Canada and the Province.

C.3.2 **Minor Changes to the Project Description, Budget, and Timelines.** Subject to sections C.3.1 (Province’s and Canada’s Consent) and C.3.3 (Amending the Agreement for Minor Changes to the Project Description, Budget, and Timelines), changes that, in the opinion of the Province, are minor may be made in respect of any Project to Sub-schedule “C.1” (Project Description, Budget, and Timelines).

C.3.3 Amending the Agreement for Minor Changes to the Project Description, Budget, and Timelines. Any change made pursuant to section C.3.2 (Minor Changes to the Project Description, Budget, and Timelines) must be documented through a written agreement duly executed by the respective representatives of the Parties listed in Schedule “B” (Specific Information).

SUB-SCHEDULE "C.1"
PROJECT DESCRIPTION, BUDGET, AND TIMELINES

Project ID (A)	Project Title (B)	Project Description (C)	Forecasted Project Start Date (MM/DD/YYYY) (D)	Forecasted Project End Date (MM/DD/YYYY) (E)	Federal Approval Date (MM/DD/YYYY) (F)	Total Costs of the Project (G)	Total Eligible Expenditures of the Project (H)	Federal Contribution Towards the Total Eligible Expenditures of the Project (I)	Federal Funding Rate of the Total Eligible Expenditures of the Project (J)	Other Federal Contribution Towards the Total Costs of the Project (K)	Provincial Contribution Towards the Total Eligible Expenditures of the Project (L)	Provincial Funding Rate of the Total Eligible Expenditures of the Project (M)	Recipient Contribution Towards the Total Costs of the Project (N)	Other Contribution Towards the Total Eligible Expenditures of the Project (O)
ICIP-COB-01	Replacement of Rolling Stock (3 buses)	The purchase of three new buses will improve access to the town's transit system by making all buses (100%) fully accessible and in line with requirements under the Accessibility for Ontarians with Disabilities Act (AODA). Currently, only 80% of the fleet is fully accessible.	01/02/2020	01/01/2023	01/31/2020	\$1,240,454.40	\$1,240,454.40	\$496,181.76	40%	\$0.00	\$413,443.45	33.33%	\$330,829.19	\$0.00

SCHEDULE "D" REPORTS

D.1.0 PROGRESS REPORTS

D.1.1 **Progress Reports.** The Recipient will submit Progress Reports to the Province in a format to be provided by the Province and in accordance with the timelines and any other requirements set out in Article D.2.0 (Reporting Requirements) in respect of each Project.

D.1.2 **Description of Progress Report.** The Recipient agrees that each Progress Report will include, without limitation and at the sole discretion of the Province, the following information in respect of the Project to which the Progress Report relates:

- (a) Canada's and the Province's respective forecasted contributions to the Project by Funding Year;
- (b) the Project start date and the Project end date (forecasted and actual where applicable);
- (c) the percentage of the Project that has been completed;
- (d) risks and mitigation strategies;
- (e) confirmation that the Project is on track to achieve expected results or, if the Project is Substantially Completed, confirmation of actual results; and
- (f) confirmation that all required signage for the Project has been installed.

D.2.0 REPORTING REQUIREMENTS

The reporting requirements for each Project vary depending on the tier classification, as set out in column C (Project Tier for Reporting Purposes) of Sub-schedule "D.1" (Project Tier Classification and Other Information), for the Project.

D.2.1 **Tier 1 Reporting Requirements.** If, based on the Province's assessment, a Recipient's Project is categorized as a Tier 1 Project, as identified in column C (Project Tier for Reporting Purposes) of Sub-schedule "D.1" (Project Tier Classification and Other Information), the Recipient will submit to the Province:

- (a) up and until the final payment has been made pursuant to section J.8.1 (Final Payment), a Progress Report in each calendar year on or before:
 - (i) March 15th; and
 - (ii) September 15th;
- (b) upon reaching Substantial Completion:
 - (i) a Declaration of Project Substantial Completion;

- (ii) a final Progress Report; and
- (iii) a photograph of the Project; and
- (c) within 90 days of submitting the final Progress Report, a summary of any Communications Activities made for the Project.

D.2.2 Tier 2 Reporting Requirements. If, based on the Province's assessment, a Recipient's Project is categorized as a Tier 2 Project, as identified in column C (Project Tier for Reporting Purposes) of Sub-schedule "D.1" (Project Tier Classification and Other Information), the Recipient will submit to the Province:

- (a) up and until the final payment has been made pursuant to section J.8.1 (Final Payment), a Progress Report in each calendar year on or before:
 - (i) March 15th;
 - (ii) June 15th;
 - (iii) September 15th; and
 - (iv) December 15th;
- (b) upon reaching Substantial Completion:
 - (i) a Declaration of Project Substantial Completion;
 - (ii) a final Progress Report;
 - (iii) a Certificate from a Professional Engineer for Project Substantial Completion;
 - (iv) a copy of the report for a compliance audit carried out in accordance with Article D.8.0 (Compliance Audit(s)); and
 - (v) a photograph of the Project; and
- (c) within 90 days of submitting the final Progress Report:
 - (i) a summary of any Communications Activities made for the Project; and
 - (ii) a summary of how the Project aligns with provincial and federal objectives.

D.2.3 Tier 3 Reporting Requirements. If, based on the Province's assessment, a Recipient's Project is categorized as a Tier 3 Project, as identified in column C (Project Tier for Reporting Purposes) of Sub-schedule "D.1" (Project Tier Classification and Other Information), then the Recipient will work with the Province to establish a Committee. Additionally, the Recipient will submit to the Province:

- (a) up and until the final payment had been made pursuant to section J.8.1 (Final Payment):

- (i) a Progress Report in each calendar year on or before:
 - a. March 15th;
 - b. June 15th;
 - c. September 15th; and
 - d. December 15th; and
 - (ii) a Certificate from an Independent Engineer to Certify Progress on or before September 15th of each calendar year;
- (b) a communications plan within 180 days of the Effective Date;
- (c) upon reaching Substantial Completion:
 - (i) a Declaration of Project Substantial Completion;
 - (ii) a final Progress Report;
 - (iii) a Certificate from a Professional Engineer for Project Substantial Completion; and
 - (iv) a photograph of the Project;
- (d) a copy of the reports for the following two compliance audits carried out in accordance with Article D.8.0 (Compliance Audit(s)). The initial compliance audit will be carried out midway through the Project. The final compliance audit will be carried out upon reaching the Project Substantial Completion Date; and
- (e) within 90 days of submitting the final Progress Report:
 - (i) a summary of any Communications Activities made for the Project;
 - (ii) a summary of how the Project aligns with provincial and federal objectives; and
 - (iii) a summary of lessons learned.

D.2.4 **Tier 4 Reporting Requirements.** If, based on the Province's assessment, a Recipient's Project is categorized as a Tier 4 Project, as identified in column C (Project Tier for Reporting Purposes) of Sub-schedule "D.1" (Project Tier Classification and Other Information), then the Recipient will work with the Province to establish a Committee. Additionally, the Recipient will submit to the Province:

- (a) up and until the final payment has been made pursuant to section J.8.1 (Final Payment):
 - (i) a Progress Report in each calendar year on or before the 15th day of each month;

- (ii) a Certificate from an Independent Engineer to Certify Progress on or before March 15th and September 15th of each calendar year; and
 - (iii) a communications plan within 180 days of the Effective Date and on or before March 15th in each calendar year thereafter;
- (b) upon reaching Substantial Completion:
 - (i) a Declaration of Project Substantial Completion;
 - (ii) a final Progress Report;
 - (iii) a Certificate from a Professional Engineer for Project Substantial Completion; and
 - (iv) a photograph of the Project;
- (c) a copy of the reports for the following two compliance audits carried out in accordance with Article D.8.0 (Compliance Audit(s)). The initial compliance audit will be carried out midway through the Project. The final compliance audit will be carried out upon reaching the Project Substantial Completion Date; and
- (d) within 90 days of submitting the final Progress Report:
 - (i) a summary of any required Communications Activities made for the Project;
 - (ii) a summary of how the Project aligns with provincial and federal objectives; and
 - (iii) a summary of lessons learned.

D.3.0 ABORIGINAL CONSULTATION RECORD

D.3.1 Inclusion of Aboriginal Consultation Record. The Recipient will include an updated Aboriginal Consultation Record, if consultation with any Aboriginal Community is required, in its Progress Report.

D.4.0 RISK ASSESSMENT

D.4.1 Further Details on Risk Assessment. Upon the Province's written request and within the timelines set out by the Province, the Recipient will provide further details on the risk assessment the Recipient provides in respect of any Progress Report.

D.5.0 CLIMATE LENS ASSESSMENTS

D.5.1 Climate Change Resilience Assessment. If a climate change resilience assessment is identified as "Required" in column F (Climate Change Resilience Assessment) of Sub-schedule "D.1" (Project Tier Classification and Other Information), the Recipient will submit to Canada, through the Province and in a format acceptable to Canada, a climate change resilience

assessment prior to submitting a request for payment for the Project. The climate change resilience assessment will be in accordance with:

- (a) the publication titled, *Climate Lens - General Guidance*, provided by Canada at <https://www.infrastructure.gc.ca/pub/other-autre/cl-occ-eng.html>, or at any other location the Province may provide; and
- (b) any additional direction the Province may provide.

D.5.2 Greenhouse Gas Emissions Assessment. If a greenhouse gas emissions assessment is identified as “Required” in column D (Greenhouse Gas Emissions Assessment) of Sub-schedule “D.1” (Project Tier Classification and Other Information), the Recipient will submit to Canada, through the Province and in a format acceptable to Canada, a greenhouse gas emissions assessment prior to submitting a request for payment for the Project. The greenhouse gas emissions assessment will be in accordance with:

- (a) the publication titled, *Climate Lens – General Guidance*, provided by Canada at <https://www.infrastructure.gc.ca/pub/other-autre/cl-occ-eng.html>, or at any other location the Province may provide; and
- (b) any additional direction the Province may provide.

D.6.0 COMMUNITY EMPLOYMENT BENEFITS ASSESSMENTS

D.6.1 Community Employment Benefits Assessments. If community employment benefits assessments are identified as “Required” in column E (Community Employment Benefits Assessments) of Sub-schedule “D.1” (Project Tier Classification and Other Information), the Recipient will complete community employment benefits assessments for the Project, as described in section D.6.2 (Description of the Community Employment Benefits Assessments), to the satisfaction of Canada and the Province.

D.6.2 Description of the Community Employment Benefits Assessments. If community employment benefits assessments are required pursuant to section D.6.1 (Community Employment Benefits Assessments), the Recipient will provide the Province and Canada with such assessments for three or more of the following federal target groups:

- (a) apprentices from traditionally disadvantaged communities;
- (b) Indigenous peoples;
- (c) women;
- (d) persons with disabilities;
- (e) veterans;
- (f) youth;

- (g) new Canadians;
- (h) small-medium-sized enterprises; and
- (i) social enterprises.

D.6.3 Reporting on Community Employment Benefits Assessments. The Recipient will submit its community employment benefit assessments to the Province, together with its Progress Reports, on or before September 15th of each calendar year.

D.7.0 CHANGES TO SCHEDULE “D” (REPORTS)

D.7.1 Minor Changes to the Reporting. Subject to section D.7.2 (Amending the Agreement for Minor Changes to the Reporting), the Parties may make changes to this Schedule “D” (Reports) or Sub-schedule “D.1” (Project Tier Classification and Other Information), or both, that, in the opinion of the Province, are minor.

D.7.2 Amending the Agreement for Minor Changes to the Reporting. Any change made pursuant to section D.7.1 (Minor Changes to the Reporting) must be documented through a written agreement duly executed by the respective representatives of the Parties listed in Schedule “B” (Project Specific Information).

D.8.0 COMPLIANCE AUDIT(S)

D.8.1 Compliance Audit(s). Without limiting the generality of section A.7.4 (Records Review) and as required under Article D.2.0 (Reporting Requirements), the Recipient will, at its own expense, retain an independent third party auditor to conduct one or more compliance audits of the Recipient. Each audit will be conducted in accordance with Canadian Generally Accepted Auditing Standards, as adopted by the Canadian Institute of Chartered Accountants, applicable as of the date on which a record is kept or required to be kept under such standards. In addition, each audit will assess the Recipient’s compliance with the terms of the Agreement and will address, without limitation, the following:

- (a) whether the Funds were spent in accordance with the Agreement and with due regard to economy, efficiency, and effectiveness;
- (b) the progress or state of completion of the Project;
- (c) whether the financial information the Recipient provided is complete, accurate, and timely, and in accordance with the Agreement;
- (d) whether the Recipient’s information and monitoring processes and systems are adequate to identify, capture, validate, and monitor the achievement of intended benefits of the Project;
- (e) the overall management and administration of the Project;

- (f) recommendations for improvement or redress; and
- (g) whether prompt and timely corrective action is taken on prior audit findings.

**SUB-SCHEDULE “D.1”
PROJECT TIER CLASSIFICATION AND OTHER INFORMATION**

Project ID (A)	Project Title (B)	Project Tier for Reporting Purposes (C)	Greenhouse Gas Emissions Assessment (D)	Community Employment Benefits Assessments (E)	Climate Change Resilience Assessment (F)	Eligibility of Internal Labour Costs (G)
ICIP-COB-01	Replacement of Rolling Stock (3 buses)	Tier 1	N/A	N/A	N/A	No

Note: Please see Schedule “D” (Reports) for further details on reporting.

**SCHEDULE “E”
ELIGIBLE EXPENDITURES AND INELIGIBLE EXPENDITURES**

E.1.0 ELIGIBLE EXPENDITURES

E.1.1 **Eligible Expenditures Date of Effect.** Eligible Expenditures in respect of any Project, unless otherwise specified in paragraph E.1.2(b), can only begin to accrue as of the Federal Approval Date.

E.1.2 **Scope of Eligible Expenditures.** Eligible Expenditures are the direct costs which are, in the opinion of the Province, properly and reasonably incurred by the Recipient on or after the Federal Approval Date, except for the costs specified in paragraph E.1.2 (b) which can begin to accrue prior to the Federal Approval Date, in respect of any Project. Eligible Expenditures include only the following:

- (a) all costs considered by the Parties to be direct and necessary for the successful implementation of the Project which may include, unless excluded under Article E.2.0 (Ineligible Expenditures), capital, construction, design and planning costs;
- (b) the costs related to the completion of the climate lens assessments;
- (c) the costs related to monitoring project-level community employment benefits;
- (d) the costs of Aboriginal consultation and, where appropriate, accommodation measures;
- (e) the incremental costs of employees of the Recipient if the Project is identified as “Eligible” in column G (Eligibility of Internal Labour Costs) of Sub-schedule “D.1” (Project Tier Classification and Other Information); and
- (f) any other cost that, in the opinion of the Province, is considered to be necessary for the successful implementation of the Project and has been approved in writing prior to being incurred.

E.2.0 INELIGIBLE EXPENDITURES

E.2.1 **Scope of Ineligible Expenditures.** Unless a cost is considered an Eligible Expenditure pursuant to section E.1.2 (Scope of Eligible Expenditures), such cost will be considered an Ineligible Expenditure. Without limitation, the indirect costs listed in section E.2.2 (Indirect Costs), the costs listed in section E.2.3 (Costs Over and Above a Project Scope) that are over and above the scope of a Project, and the following costs will be considered Ineligible Expenditures:

- (a) costs incurred prior to the Federal Approval Date of a Project, except for the costs specified in paragraph E.1.2 (b);

- (b) costs incurred after October 31, 2027, unless otherwise approved pursuant to paragraph E.1.2(e);
- (c) costs incurred for a cancelled Project;
- (d) land acquisition costs;
- (e) leasing costs for land, buildings, and other facilities;
- (f) leasing costs for equipment other than equipment directly related to the construction of a Project;
- (g) real estate fees and related costs;
- (h) any overhead costs, including salaries and other employment benefits of any employees of the Recipient, any direct or indirect operating or administrative costs of the Recipient, and more specifically, any costs related to planning, engineering, architecture, supervision, management, and other activities normally carried out by the Recipient's staff, except in accordance with paragraph E.1.2(d);
- (i) financing charges;
- (j) legal fees;
- (k) loan interest payments;
- (l) costs of any goods and services received through donations or in-kind;
- (m) taxes and any other costs for which the Recipient or any Third Party is eligible for a rebate;
- (n) costs associated with operating expenses and regularly scheduled maintenance work;
- (o) costs related to furnishings and non-fixed assets which are not essential for the operation of an Asset or Project;
- (p) costs related to easements (e.g., surveys); and
- (p) any other cost which is not specifically listed as an Eligible Expenditure under Article E.1.0 (Eligible Expenditures) and which, in the opinion of the Province, is considered to be ineligible.

E.2.2 Indirect Costs. Without limitation, the following indirect costs are Ineligible Expenditures:

- (a) costs of developing the business case for the purposes of applying for provincial funding in respect of any Project;
- (b) costs in respect of any Evaluation or any other Project evaluation and audit, unless otherwise approved by the Province in writing;
- (c) costs associated with obtaining any necessary approval, licence or permit where the Recipient is the entity providing the approval, licence or permit;
- (d) costs associated with general planning studies, including the Recipient's *Official Plan* and *Transportation Master Plan*;
- (e) carrying costs incurred on the funding share of any funding partner other than the Province;
- (f) costs associated with municipal staff and any Third Party travel;
- (g) litigation costs including, without limitation, any award or settlement costs in respect of damages and related interest, and disbursements; and
- (h) Recipient's upgrades not expressly approved by the Province.

E.2.3 Costs Over and Above a Project Scope. Activities undertaken in respect of any Project that are over and above the scope of the Project are considered Ineligible Expenditures. These costs include, but are not limited to:

- (a) the costs to upgrade municipal services and utilities that are over and above those for the relocation and replacement of municipal services and utilities that are solely required for the Project;
- (b) the costs for upgrades to materials and design beyond existing municipal standards; and
- (c) the costs for corridor and urban design enhancements over and above those that are described in the Project description.

SCHEDULE “F” EVALUATION

F.1.0 PROJECTS AND ICIP EVALUATIONS

F.1.1 Recipient’s Participation in Projects and ICIP Evaluations. The Recipient understands that the Province or Canada, or both, may ask the Recipient to participate in one or more evaluation in respect of any Project, the Projects or the ICIP during and for a period of up to six years after March 31, 2028. The Recipient agrees, if asked and at its own expense, to provide Project-related information to the Province or Canada, or both, for any evaluation.

F.1.2 Results of Projects and ICIP Evaluations. The result of any evaluation carried under section F.1.1 (Recipient’s Participation in Projects and ICIP Evaluations) will be made available to the public, subject to all applicable laws and policy requirements.

SCHEDULE “G” COMMUNICATIONS PROTOCOL

G.1.0 DEFINITIONS

G.1.1 **Definitions.** For the purposes of this Schedule “G” (Communications Protocol):

“**Joint Communications**” means events, news releases, and signage that relate to the Agreement or the Bilateral Agreement, or both, that are not operational in nature, and that are collaboratively developed and approved by,

- (a) in the case of the Bilateral Agreement, Canada, the Province and the Recipient; and
- (b) in the case of the Agreement, the Province and the Recipient.

G.2.0 PURPOSE

G.2.1 **Purpose.** This communications protocol outlines the roles and responsibilities of each of the Parties to the Agreement in respect of Communications Activities related to the Project.

G.2.2 **Guidance.** This communications protocol will guide all planning, development and implementation of Communications Activities with a view to ensuring efficient, structured, continuous, consistent, and coordinated communications to the Canadian public.

G.2.3 **Application to Communications Activities.** The provisions of this communications protocol apply to all Communications Activities related to the Agreement and the Project.

G.3.0 GUIDING PRINCIPLES

G.3.1 **Information to Canadians.** Communications Activities undertaken through this communications protocol should ensure that Canadians are informed about the Project benefits, including the ways in which the Project helps improve their quality of life.

G.3.2 **Factors to Consider.** The scale and scope of Communications Activities undertaken for any Project will take into consideration the financial value, scope and duration of the Project and the feasibility of Joint Communications for such Communications Activities.

- G.3.3 **Deficiencies and Corrective Actions.** The Province will communicate to the Recipient any deficiencies or corrective actions, or both, identified by the Province, Canada or, as applicable, the Committee.
- G.3.4 **Approval of Communications Material.** The announcement or publication of the Project must be approved by the Parties and Canada prior to being carried out.
- G.3.5 **Costs of Communication Activities.** With the exception of advertising campaigns outlined in Article G.10.0 (Advertising Campaigns), the costs of Communication Activities and signage will follow the eligibility rules established in Schedule “E” (Eligible Expenditures and Ineligible Expenditures).

G.4.0 JOINT COMMUNICATIONS

- G.4.1 **Subject Matter.** The Parties and Canada may have Joint Communications about the funding and status of each Project.
- G.4.2 **Prior Knowledge and Agreement.** Joint Communications in respect of any Project should not occur without the prior knowledge and agreement of the Parties and Canada.
- G.4.3 **Recognition of the Province’s and Canada’s Contributions.** All Joint Communications material will be approved by the Province and Canada and will recognize the Province’s and Canada’s contribution under Schedule “A” (General Terms and Conditions) or the Total Financial Assistance, or both, received in respect of any Project.
- G.4.4 **Notice and Timing.** The Recipient and the Province, on its own behalf or that of Canada, may request Joint Communications. The Party requesting the Joint Communications will provide at least 15 Business Days’ notice to the other Party. If the Communications Activity is an event, it will take place at a date and location mutually agreed to by the Parties and, if applicable, Canada.
- G.4.5 **Participation and Representatives.** The Party requesting a Joint Communications will provide the opportunity for the other Party and Canada to choose to participate and, if they do so choose, their own designated representative (in the case of an event).
- G.4.6 **English and French.** Canada has an obligation to communicate in English and French. Communications products related to events must be bilingual and include the Canada word mark and the logos of the Parties. In such cases, Canada will provide the translation services and final approval on products.

G.4.7 **Table of Precedence for Canada.** The conduct of all Joint Communications will, as applicable, follow the *Table of Precedence for Canada* provided by Canada at <https://www.canada.ca/en/canadian-heritage/services/protocol-guidelines-special-event/table-precedence-canada.html>, or at any other location as the Province may provide.

G.5.0 INDIVIDUAL COMMUNICATIONS

G.5.1 **Canada's Obligations.** Notwithstanding Article G.4.0 (Joint Communications), the Parties agree that Canada or the Province, or both, have the right to communicate information to Canadians and Ontarians about the Agreement and the use of Funds to meet its legislated and regulatory obligations through their respective own Communications Activities.

G.5.2 **Restrictions.** Each Party may include general ICIP messaging and an overview in respect of any Project in their own Communications Activities. The Province and the Recipient will not unreasonably restrict the use of, for their own purposes, Communications Activities related to the Project and, if the communications are web- or social-media based, the ability to link to it. Canada has also agreed, in the Bilateral Agreement, to the above.

G.5.3 **Publication.** The Recipient will indicate, in respect of any Project-related publications, whether written, oral, or visual, that the views expressed in the publication are the views of the Recipient and do not necessarily reflect those of Canada and the Province.

G.5.4 **Canada's Recognition in Documents.** In respect of any Project where the deliverable is a document, such as but not limited to plans, reports, studies, strategies, training material, webinars, and workshops, the Recipient will clearly recognize Canada's and the Province's respective financial contribution for the Project.

G.5.5 **Acknowledgement of Support.** Unless the Province directs the Recipient to do otherwise, the Recipient will, in respect of any Project-related publications, whether written, oral, or visual, acknowledge the Province's and Canada's support for the Project.

G.6.0 OPERATIONAL COMMUNICATIONS

G.6.1 **Responsibility of Recipient.** The Recipient is solely responsible for operational communications in respect of any Project, including but not limited to calls for tender, contract awards, and construction and public safety notices. Operational communications as described above are not subject to the *Official Languages Act* of Canada.

G.7.0 MEDIA RELATIONS

G.7.1 **Significant Media Inquiry.** The Province and the Recipient will share information promptly with the other Party and Canada if significant media inquiries are received or emerging media or stakeholder issues arise in respect of a Project or the ICIP.

G.8.0 SIGNAGE

G.8.1 **Recognition of Funding Contribution.** The Parties agree that Canada, the Province and the Recipient may each have signage recognizing their funding contribution in respect of any Project.

G.8.2 **Funding Recognition.** Unless otherwise agreed by Canada or the Province, or both, the Recipient will produce and install a sign to recognize the funding contributed by the Province or Canada, or both, at any Project site in accordance with, as applicable, their current respective signage guidelines. Federal sign design, content, and installation guidelines will be provided by Canada. Provincial sign design, content, and installation guidelines will be provided by the Province.

G.8.3 **Permanent Plaque.** Where the Recipient decides to install a permanent plaque or another suitable marker in respect of any Project, the Recipient will:

- (a) on the marker, recognize the Province's and Canada's contributions; and
- (b) prior to installing the marker, seek the prior written approval of both Canada and the Province, each respectively, for its content and installation.

G.8.4 **Notice of Sign Installation.** The Recipient will inform the Province of sign installations, including providing the Province with photographs of the sign, once the sign has been installed.

G.8.5 **Timing for Erection of Sign.** If erected, signage recognizing Canada's and the Province's respective contributions will be installed at the Project site(s) 30 days prior to the start of construction, be visible for the duration of the Project, and remain in place until 30 days after construction is completed and the infrastructure is fully operational or opened for public use.

G.8.6 **Size of Sign.** If erected, signage recognizing Canada's and the Province's respective contribution will be at least equivalent in size and prominence to Project signage for contributions by other orders of government and will be installed in a prominent and visible location that takes into consideration pedestrian and traffic safety and visibility.

G.8.7 Responsibility of Recipient. The Recipient is responsible for the production and installation of Project signage, or as otherwise agreed upon.

G.9.0 COMMUNICATING WITH RECIPIENT

G.9.1 Facilitation of Communications. The Province agrees to facilitate, as required, communications between Canada and the Recipient for Communications Activities.

G.10.0 ADVERTISING CAMPAIGNS

G.10.1 Notice of Advertising Campaigns. Recognizing that advertising can be an effective means of communicating with the public, the Recipient agrees that Canada or the Province, or both, may, at their own cost, organize an advertising or public information campaign in respect of any Project or the Agreement. However, such a campaign will respect the provisions of the Agreement. In the event of such a campaign, Canada or the Province will inform each other and the Recipient of its intention no less than 21 Business Days prior to the campaign launch.

**SCHEDULE “H”
DISPOSAL OF ASSETS**

H.1.0 DEFINITIONS

H.1.1 **Definitions.** For the purposes of this Schedule “H” (Disposal of Assets):

“**Asset Disposal Period**” means the period set out in the 1st column of the table in section H.2.2 (Disposal of Asset and Payment).

H.2.0 DISPOSAL OF ASSETS

H.2.1 **Asset Disposal Period.** Unless otherwise agreed to by the Province, the Recipient will maintain the ongoing operations and retain title to and ownership of any Asset acquired in respect of any Project for the Asset Disposal Period.

H.2.2 **Disposal of Asset and Payment.** If, at any time within the Asset Disposal Period, the Recipient sells, leases, encumbers, or otherwise disposes, directly or indirectly, of any Asset other than to Canada, the Province, or a municipal or regional government established by or under provincial statute, the Province may require the Recipient to reimburse the Province for any Funds received for the Project in accordance with the table below:

ASSET DISPOSAL PERIOD*	TYPE OF ASSET	RETURN OF FEDERAL CONTRIBUTION	RETURN OF PROVINCIAL CONTRIBUTION
5 years	All Assets	100%	100%
12 years	Transit vehicles including, without limitation, 9 metre to 18 metre buses and double deck buses, regardless of propulsion system	0%	100%
25 years	Subway cars, light rail vehicles, and large infrastructure assets (e.g. a maintenance and storage facility)	0%	100%

* **Note:** The Asset Disposal Period starts on the Substantial Completion Date of the Project in respect of which the Asset was acquired.

**SCHEDULE “I”
ABORIGINAL CONSULTATION PROTOCOL**

I.1.0 DEFINITIONS

I.1.1 **Definitions.** For the purposes of this Schedule “I” (Aboriginal Consultation Protocol):

“**Aboriginal Community**”, also known as “Aboriginal Group”, includes First Nation, Métis, and Inuit communities or peoples of Canada.

“**Aboriginal Consultation Plan**” means the Aboriginal Consultation Plan described in section I.2.1 (Development of Plan).

I.2.0 ABORIGINAL CONSULTATION PLAN

I.2.1 **Development of Plan.** The Province, based on the scope and nature of the Project or at the request of Canada, may require the Recipient, in consultation with the Province or Canada, or both, to develop and comply with an Aboriginal consultation plan (“Aboriginal Consultation Plan”).

I.2.2 **Procedural Aspects of Aboriginal Consultation.** If consultation with Aboriginal Communities is required, the Recipient agrees that:

- (a) the Province or Canada, or both, may delegate certain procedural aspects of the consultation to the Recipient; and
- (b) the Province or Canada, or both, will provide the Recipient with an initial list of the Aboriginal Communities the Recipient will consult.

I.2.3 **Provision of Plan to Province.** If, pursuant to section I.2.1 (Development of Plan), the Province provides Notice to the Recipient that an Aboriginal Consultation Plan is required, the Recipient will, within the timelines provided in the Notice, provide the Province with a copy of the Aboriginal Consultation Plan.

I.2.4 **Changes to Plan.** The Recipient agrees that the Province or Canada, in the sole discretion of the Province or Canada and from time to time, may require the Recipient to make changes to the Aboriginal Consultation Plan.

I.3.0 ABORIGINAL CONSULTATION RECORD

I.3.1 **Requirements for Aboriginal Consultation Record.** If consultation with an Aboriginal Community is required, the Recipient will maintain an Aboriginal Consultation Record and provide such record to the Province, and any update to it,

as part of its reporting to the Province pursuant to section D.3.1 (Inclusion of Aboriginal Consultation Record).

I.4.0 RESPONSIBILITIES OF THE RECIPIENT

I.4.1 Notification to and Direction from the Province. The Recipient will immediately notify the Province:

- (a) of contact by Aboriginal Communities regarding the Project; or
- (b) of any Aboriginal archaeological resources that are discovered in relation to the Project,

and, in either case, the Recipient agrees that the Province or Canada, or both, may direct the Recipient to take such actions as the Province or Canada, or both, may require. The Recipient will comply with the Province's or Canada's direction.

I.4.2 Direction from the Province and Contracts. In any Contract, the Recipient will provide for the Recipient's right and ability to respond to direction from the Province or Canada, or both, as the Province or Canada may provide in accordance with section I.4.1 (Notification to and Direction from the Province).

**SCHEDULE “J”
REQUESTS FOR PAYMENT AND PAYMENT PROCEDURES**

J.1.0 DEFINITION

J.1.1 **Definition.** For the purposes of this Schedule “J” (Requests for Payment and Payment Procedures):

“**Final Payment**” means the final payment by the Province to the Recipient in respect of any Project as described in and to be paid in accordance with Article J.8.0 (Final Payment).

J.2.0 PROCEDURES AND TIMING FOR REQUESTS FOR PAYMENT

J.2.1 **Procedures.** The procedures provided for in Article J.3.0 (Procedures for Requests for Payment for Eligible Expenditures) will apply to requests for payment that the Recipient submits to the Province under the Agreement.

J.2.2 **Diligent and Timely Manner.** The Recipient will submit its requests for payment to the Province in a diligent and timely manner.

J.3.0 PROCEDURES FOR REQUESTS FOR PAYMENT FOR ELIGIBLE EXPENDITURES

J.3.1 **Timing, Reports and Documents.** The Recipient will submit each request for payment for Eligible Expenditures in respect of each Project to the Province on a date and frequency as set out below and, if the Province so requested pursuant to paragraph K.4.1(f), after review by the Committee. The Recipient agrees to submit, for each of the circumstances listed below, the following reports and documents:

- (a) for each request for payment, including the Final Payment, a Request for Payment Form using the form provided in Sub-schedule “J.1” (Form of Certificate from Recipient), fully and accurately completed by an authorized representative of the Recipient. For greater clarity, the Recipient may make one request per Project for each calendar year quarter before the following dates:
 - (i) March 15th;
 - (ii) June 15th;
 - (iii) September 15th; and
 - (iv) December 15th;

- (b) for each request for payment for a non-exempt vehicle, a declaration form, pursuant to the Canadian Content Policy;
- (c) for each request for payment, except for the Final Payment:
 - (i) a Progress Report acceptable to the Province, for the period to which the request for payment relates; and
 - (ii) if, based on the Province's assessment, a Recipient's Project is categorized as a Tier 4 Project, as identified in column C (Project Tier for Reporting Purposes) of Sub-schedule "D.1" (Project Tier Classification and Other Information), a Certificate from an Independent Engineer to Certify Progress;
- (d) for each request for Final Payment, a final Progress Report, acceptable to the Province, for the period to which the request for payment relates;
- (e) if the Province so requests, a copy of all documentation provided to the Recipient by an authorized representative of the Recipient or a professional engineer, or both; and
- (f) such other information as the Province may request.

J.4.0 PAYMENTS

J.4.1 **Payment by the Province.** Subject to the terms and conditions of the Agreement, upon receipt of a request for payment fully completed in accordance with this Schedule "J" (Requests for Payment and Payment Procedures), the Province will use its reasonable efforts to make a payment to the Recipient, if due and owing under the terms of the Agreement, in a timely manner.

J.4.2 For greater certainty and without limitation, before the Province makes a payment to the Recipient, the following terms and conditions of the Agreement must be met, in the opinion of the Province or Canada, or both:

- (a) the conditions set out in paragraph A.4.2(c);
- (b) the special conditions listed in Article A.32.0 (Special Conditions);
- (c) receipt and acceptance by the Province of all required Reports and other reports, as applicable;
- (d) compliance with all applicable audit requirements under the Agreement; and

- (e) applicable communications requirements, as set out Schedule “G” (Communications Protocol).

J.4.3 The Province will under no circumstances be liable for interest for failure to make a payment within the time limit provided for in this Article J.4.0 (Payments).

J.5.0 TIME LIMITS FOR REQUESTS FOR PAYMENTS

J.5.1 **Timing.** The Recipient will submit all requests for payment on or before November 1, 2027.

J.5.2 **No Obligation for Payment.** The Province will have no obligation to make any payment for a request for payment submitted after November 1, 2027.

J.6.0 FINAL RECONCILIATION AND ADJUSTMENTS

J.6.1 **Final Reconciliation and Adjustments.** For each Project, following the submission of both the Declaration of Project Substantial Completion and the final Progress Report, the Parties will jointly carry out a final reconciliation of all requests for payments and payments in respect of any Project and make any adjustments required in the circumstances.

J.7.0 HOLDBACK

J.7.1 **Holdback.** For each Project, the Province may hold back funding in accordance with section A.4.12 (Retention of Contribution).

J.8.0 FINAL PAYMENT

J.8.1 **Final Payment.** Subject to paragraph A.4.2(c), the Province will pay to the Recipient the remainder of its contribution under the Agreement, including the Holdback, after all of the conditions under section A.4.12 (Retention of Contribution) have been met.

**SUB-SCHEDULE “J.1”
FORM OF CERTIFICATE FROM RECIPIENT**

**CERTIFICATE FROM RECIPIENT
INVESTING IN CANADA INFRASTRUCTURE PROGRAM (ICIP):
PUBLIC TRANSIT STREAM TRANSFER PAYMENT AGREEMENT**

TO: [insert the information the Province will provide to the Recipient after the Effective Date by Notice]

FROM: [insert address of the Recipient’s authorized representative]
Attention: [insert the name and title of the Recipient’s authorized representative]
Email: [insert email address of the Recipient’s authorized representative]
Telephone No.: [insert telephone number of the Recipient’s authorized representative]

RE: Investing in Canada Infrastructure Program (ICIP) Transfer Payment Agreement - Project [insert the Project unique ID and title]

In the matter of the Investing in Canada Infrastructure Program (ICIP): Public Transit Stream Transfer Payment Agreement entered into between Her Majesty the Queen in right of Ontario, represented by the Minister of Transportation for the Province of Ontario, and the [insert the legal name of the Recipient] (the “Recipient”), on _____, _____ (the “Agreement”).

I, _____ [insert name and title of the Recipient’s authorized representative], having made such inquiries as I have deemed necessary for this certificate, hereby certify that to the best of my knowledge, information, and belief:

1. On and as of the date set out below:
 - (a) all representations and warranties contained in Article A.2.0 (Representations, Warranties, and Covenants) of Schedule “A” (General Terms and Conditions) to the Agreement are true and correct;
 - (b) the Recipient is in compliance with all the terms and conditions of the Agreement, including, without limitations, its obligations under Article A.28.0 (Environmental Requirements and Assessments), and sections A.29.1 (Aboriginal Consultation Protocol), A.32.1 (Special Conditions), and C.2.1 (Canada’s Requirements for Standards), and no Event of Default, as defined in the Agreement, is currently occurring;

- (c) if the Recipient has incurred a cost overrun in respect of any Project, it has funded the cost, is not asking for funds from the Province, and has sufficient funds to complete the Project in compliance with the Agreement; and
 - (d) the Recipient has complied with all applicable provision of the *Construction Lien Act* (Ontario) and the *Construction Act* (Ontario) and is not aware of any claims for lien under that Act.
2. The information in respect of the Project **[insert the Project unique ID and title]** that is contained in the attached Request for Payment Form and Progress Report is true and correct.
 3. Eligible Expenditures in Appendix “A” have been incurred in accordance with the Agreement and have only been expended on the Project as described in Sub-schedule “C.1” (Project Description, Budget, and Timelines) of the Agreement.
 4. The Recipient is in compliance with all of the reporting requirements of the Agreement.

The Recipient hereby requests a payment in the amount of:

\$ _____ on account of the Province’s; and

\$ _____ on account of Canada’s contribution towards the Eligible Expenditures of the Project **[insert the Project unique ID and title]**.

Declared at _____ (municipality), in the Province of Ontario, this _____ day of _____, 20_____.

(Signatures)

Name: **[insert/print the name of the Recipient’s authorized representative]**

Title: **[insert/print the title of the Recipient’s authorized representative]**

Witness Name: **[insert/print the name of the witness]**

Title: **[insert/print the title of the witness]**

I have authority to bind the Recipient.

**CERTIFICATE FROM RECIPIENT
 INVESTING IN CANADA INFRASTRUCTURE PROGRAM (ICIP):
 PUBLIC TRANSIT STREAM TRANSFER PAYMENT AGREEMENT**

APPENDIX “A”

COMPLIANCE REQUIREMENTS BEFORE SUBMITTING A REQUEST FOR PAYMENT TO THE PROVINCE <i>(please respond with “YES”, “NO”, or “N/A”, as appropriate)</i>	
If your Project requires an environmental assessment (EA), pursuant to A.28.1 (Federal Environmental Requirements) of the Agreement, please indicate if the EA has been approved by Canada.	
If a climate change resilience assessment is identified as “Required” in column F (Climate Change Resilience Assessment) of Sub-schedule “D.1” (Project Tier Classification and Other Information), please indicate if a climate change resilience assessment has been approved by Canada.	
If a greenhouse gas emissions assessment is identified as “Required” in column D (Greenhouse Gas Emissions Assessment) of Sub-schedule “D.1” (Project Tier Classification and Other Information), please indicate if a greenhouse gas emission assessment has been approved by Canada.	
The Recipient must pay all payment claims and invoices in full before making a request for payment to the Province. Please indicate whether the Recipient has already paid the claimed amount.	
If your Project requires the acquisition of a vehicle that is not exempt from the Canadian Content Policy, please provide a declaration form pursuant to the Canadian Content Policy.	

RECIPIENT INFORMATION	
Recipient Name:	
Recipient Contact Person Name:	
Recipient Contact Person Phone #:	
Recipient Contact Person Email:	

PROJECT INFORMATION	
Transfer Payment Ontario Case #	
Unique Project ID	
Project Title	
Payment request claim date (DD/MM/YYYY)	
Period covered by claim (DD/MM/YYYY to DD/MM/YYYY)	
Is this your final claim for this Project? <i>(Please specify with "Yes" or "No")</i>	
Is this your first claim for this project? <i>(Please specify with "Yes" or "No")</i>	

PROJECT FINANCIAL INFORMATION	
Federal contribution towards the total Eligible Expenditures of the Project (Sub-schedule "C.1", Column I)	\$
Other federal contribution towards the total costs of the Project (Sub-schedule "C.1", Column K)	
Provincial contribution towards the total Eligible Expenditures of the Project (Sub-schedule "C.1", Column L)	\$
Amount in Column I above + the amount in Column L above	\$
Recipient contribution towards the total costs of the Project (Sub-schedule "C.1", Column N)	\$
Other contributions towards the total Eligible Expenditures of the Project (Sub-schedule "C.1", Column O)	\$
Total Eligible Expenditures of the Project (Sub-schedule "C.1", Column H)	\$
Total costs of the Project (Sub-schedule "C.1", Column G)	\$

RECORD OF INVOICES																	
Date of Invoice (DD/MM/YY)	Period of Work Performed		Vendor Name	Date Paid (DD/MM/YY)	Description of Expense	Eligibility per E.1.2	Amount Paid (\$)				Amount Requested (\$)	Ineligible Amount (\$)	Contribution to Eligible Expenditures (\$)				Notes
	From (DD/MM/YY)	To (DD/MM/YY)					Subtotal without HST	Total HST	Recoverable HST	Net Total			Federal	Provincial	Municipal	Other	
TOTAL																	

Recommended for payment request:

Date

[insert/print the name and title of the Recipient's authorized representative]

I have authority to bind the Recipient.

Recommended for payment:

Date

[insert/print the name of the Director]
Director, Ministry of Transportation

SUB-SCHEDULE "J.2"
FORM OF DECLARATION OF PROJECT SUBSTANTIAL COMPLETION

DECLARATION OF PROJECT SUBSTANTIAL COMPLETION
INVESTING IN CANADA INFRASTRUCTURE PROGRAM (ICIP):
PUBLIC TRANSIT STREAM TRANSFER PAYMENT AGREEMENT

TO: [insert the information the Province will provide to the Recipient after the Effective Date by Notice]

FROM: [insert address of the Recipient's authorized representative]
Attention: [insert the name and title of the Recipient's authorized representative]
Email: [insert email address of the Recipient's authorized representative]
Telephone No.: [insert telephone number of the Recipient's authorized representative]

RE: Investing in Canada Infrastructure Program (ICIP) Transfer Payment Agreement - Project [insert the Project unique ID and title]

In the matter of the Investing in Canada Infrastructure Program (ICIP): Public Transit Stream Transfer Payment Agreement entered into between Her Majesty the Queen in right of Ontario, as represented by the Minister of Transportation for the Province of Ontario, and the [insert the legal name of the Recipient] (the "Recipient"), on _____, _____ (the "Agreement").

I, _____ [insert name and title of the Recipient's authorized representative], having made such inquiries as I have deemed necessary for this certificate, hereby certify that to the best of my knowledge, information and belief:

1. On and as of the date set out below:
 - (a) all representations and warranties contained in Article A.2.0 (Representations, Warranties, and Covenants) of Schedule "A" (General Terms and Conditions) to the Agreement are true and correct;
 - (b) the Recipient is in compliance with all the terms and conditions of the Agreement, including, without limitation, its obligations under Article A.28.0 (Environmental Requirements and Assessments), and sections A.29.1 (Aboriginal Consultation Protocol), A.32.1 (Special Conditions), and C.2.1 (Canada's Requirements for Standards) to the Agreement, and no Event of Default, as defined in the Agreement, is currently occurring;

- (c) if the Recipient has incurred a cost overrun for the Project, the Recipient has funded the cost, is not asking for funds from the Province, and has sufficient funds to complete the Project in compliance with the Agreement;
 - (d) the Recipient has complied with all applicable provisions of the *Construction Lien Act* (Ontario) and the *Construction Act* (Ontario) and is not aware of any claims for lien under that Act;
 - (e) the work for the Project **[insert the Project unique ID and title]**:
 - (i) has reached Substantial Completion, as defined in the Agreement, on the _____ day of _____ 20____ (the “Project Substantial Completion Date”);
 - (ii) was carried out between _____ **[insert the start date]** and the Project Substantial Completion Date;
 - (iii) was supervised and inspected by qualified staff;
 - (iv) conforms with the plans, specifications, and other documentation for the work;
 - (v) conforms with Schedule “C” (Project Description, Budget, Timelines, and Standards) of the Agreement, except as the Province has otherwise approved in advance and in writing;
 - (vi) conforms with the requirements provided for in paragraph A.4.9(d) of Schedule “A” (General Terms and Conditions) of the Agreement to comply with industry standards; and
 - (vii) conforms with applicable Environmental Laws, as defined in the Agreement, and appropriate mitigation measures have been implemented.
2. The information in respect of the Project **[insert the Project unique ID and title]** that is contained in the final Progress Report is true and correct.
 3. The Funds will only and entirely be used for Eligible Expenditures that have been incurred by the Recipient in accordance with the Agreement.
 4. The value of completed work on the Project is \$ _____ **[insert the amount in Canadian dollars]**.

Declared at _____ (municipality), in the Province of Ontario, this _____ day of _____, 20_____.

(Signatures)

Name: **[insert/print the name of the Recipient's authorized representative]**
Title: **[insert/print the title of the Recipient's authorized representative]**

Witness Name: **[insert/print the name of the witness]**
Title: **[insert/print the title of the witness]**

I have authority to bind the Recipient.

**SUB-SCHEDULE “J.3”
FORM OF CERTIFICATE FROM A PROFESSIONAL ENGINEER
FOR PROJECT SUBSTANTIAL COMPLETION**

[Note: This form is only for Tiers 2, 3 and 4 Projects and must be completed by an independent engineer for Tiers 3 and 4 Projects.]

**CERTIFICATE FROM A PROFESSIONAL ENGINEER
FOR PROJECT SUBSTANTIAL COMPLETION
INVESTING IN CANADA INFRASTRUCTURE PROGRAM (ICIP):
PUBLIC TRANSIT STREAM TRANSFER PAYMENT AGREEMENT**

TO: [insert the information the Province will provide to the Recipient after the Effective Date by Notice]

FROM: [insert the address of the professional engineer]
Attention: [insert the name and title of the professional engineer]
Email: [insert the email address of the professional engineer]
Telephone No.: [insert the telephone number of the professional engineer]

RE: Investing in Canada Infrastructure Program (ICIP): Public Transit Stream Transfer Payment Agreement - Project [insert the Project unique ID and title]

In the matter of the Investing in Canada Infrastructure Program (ICIP): Public Transit Stream Transfer Payment Agreement entered into between Her Majesty the Queen in right of Ontario, as represented by the Minister of Transportation for the Province of Ontario, and the **[insert the name of the Recipient]** (the “Recipient”), on _____, _____ (the “Agreement”).

I, _____ **[insert the name and title of the professional engineer]**, a professional engineer duly licensed in the Province of Ontario, having made such inquiries as I have deemed necessary for this certificate, hereby certify that to the best of my knowledge, information and belief:

On and as of the date set out below, the work for the Project **[insert the Project unique ID and title]**:

1. has reached Substantial Completion, as defined in the Agreement, on the _____ day of _____ 20__ (the “**Project Substantial Completion Date**”);
2. was carried out between **[insert the start date]** and the Project Substantial Completion Date;
3. was supervised and inspected by qualified staff;

4. conforms with the plans, specifications, and other documentation for the work;
5. conforms with applicable Environmental Laws, as defined in the Agreement, and appropriate mitigation measures have been implemented, if applicable;
6. conforms with Schedule "C" (Project Description, Budget, Timelines, and Standards) of the Agreement, except as the Province has otherwise approved in advance and in writing; and
7. conforms with the requirements provided for in paragraph A.4.9(d) of Schedule "A" (General Terms and Conditions) of the Agreement to comply with industry standards.

Declared at _____ (municipality), in the Province of Ontario, this _____ day of _____, 20_____.

(Signatures)

Name: **[insert/print the name of the professional engineer]**
Title: **[insert/print the title of the professional engineer]**

Witness Name: **[insert/print the name of the witness]**
Title: **[insert/print the title of the witness]**

SUB-SCHEDULE "J.4"
FORM OF CERTIFICATE FROM AN INDEPENDENT ENGINEER TO CERTIFY PROGRESS

[Note: This form is only for Tiers 3 and 4 Projects.]

**CERTIFICATE FROM AN INDEPENDENT ENGINEER TO CERTIFY PROGRESS
INVESTING IN CANADA INFRASTRUCTURE PROGRAM (ICIP):
PUBLIC TRANSIT STREAM TRANSFER PAYMENT AGREEMENT**

TO: [insert the information the Province will provide to the Recipient after the Effective Date by Notice]

FROM: [insert the address of an independent professional engineer]
Attention: [insert the name and title of the professional engineer]
Email: [insert the email address of the professional engineer]
Telephone No.: [insert the telephone number of the professional engineer]

RE: Investing in Canada Infrastructure Program (ICIP): Public Transit Stream Transfer Payment Agreement - Project [insert the Project unique ID and title]

In the matter of the Investing in Canada Infrastructure Program (ICIP): Public Transit Stream Transfer Payment Agreement entered into between Her Majesty the Queen in right of Ontario, as represented by the Minister of Transportation for the Province of Ontario, and the [insert the name of the Recipient] (the "Recipient"), on _____, _____ (the "Agreement").

I, _____ [insert the name and title of the professional engineer], an independent professional engineer duly licensed in the Province of Ontario, having made such inquiries as I have deemed necessary for this certificate, hereby certify that to the best of my knowledge, information and belief:

On and as of the date set out below, the work for the Project is _____ [Insert Project percent complete] percent complete, and the Project:

1. was supervised and inspected by qualified staff;
2. conforms with the plans, specifications and other documentation for the work;
3. conforms with applicable Environmental Laws, as defined in the Agreement, and appropriate mitigation measures have been implemented;
4. conforms with Schedule "C" (Project Description, Budget, Timelines, and Standards) of the Agreement, except as the Province has otherwise approved in advance and in writing; and

5. conforms with the requirements provided for in paragraph A.4.9(d) of Schedule "A" (General Terms and Conditions) of the Agreement to comply with industry standards.

Declared at _____ (municipality), in the Province of Ontario, this _____ day of _____, 20_____.

(Signatures)

Name: **[insert/print the name of the professional engineer]**

Title: **[insert/print the title of the professional engineer]**

Witness Name: **[insert/print the name of the witness]**

Title: **[insert/print the title of the witness]**

SCHEDULE “K” COMMITTEE

K.1.0 ESTABLISHMENT OF COMMITTEE

K.1.1 Establishment and Term of Committee. If the Province requires the establishment of a Committee to oversee the Agreement, pursuant to section A.30.1 (Establishment of Committee), the Parties will, within 60 days of the Province providing Notice, hold an initial meeting to establish the Committee. The Committee’s mandate will expire on the Expiry Date of the Agreement.

K.2.0 COMMITTEE MEMBERS, CO-CHAIRS, AND OBSERVERS

K.2.1 Appointments by the Province. The Province will appoint two persons as members of the Committee.

K.2.2 Appointments by the Recipient. The Recipient will appoint two persons as members of the Committee.

K.2.3 Chairs of the Committee. The Committee will be headed by co-chairs chosen from its members, one appointed by the Province and one appointed by the Recipient. If a co-chair is absent or otherwise unable to act, the member of the Committee duly authorized in writing by the Province or the Recipient, as applicable, will replace him or her and will act as co-chair in his or her place.

K.2.4 Non-committee Member Staff. The Parties may invite any of their staff to participate in Committee meetings. The Province may invite up to two representatives from Canada to sit as observers on the Committee. For greater certainty, the staff and representative(s) from Canada will not be considered members and will not be allowed to vote.

K.3.0 MEETINGS AND ADMINISTRATIVE MATTERS

K.3.1 Rules of Committee. The Committee will:

- (a) meet at least two times a year, and at other times at the request of a co-chair;
and
- (b) keep minutes of meetings approved and signed by the co-chairs as a true record of the Committee meetings.

K.3.2 Quorum. A quorum for a meeting of the Committee will exist only when both co-chairs are present.

K.4.0 COMMITTEE MANDATE

K.4.1 **Mandate.** Provided that no action taken by the Committee will conflict with the rights of the Parties under the Agreement, the mandate of the Committee will include, but not be limited to:

- (a) monitoring the implementation of the Agreement including, without limitation, the implementation of Schedule "G" (Communications Protocol), for compliance with the terms and conditions of the Agreement;
- (b) acting as a forum to resolve potential issues or disputes and address concerns;
- (c) reviewing and, as necessary, recommending to the Parties amendments to the Agreement;
- (d) approving and ensuring audit plans are carried out as per the Agreement;
- (e) establishing sub-committees as needed;
- (f) at the request of the Province, reviewing requests for payments; and
- (g) attending to any other function required by the Agreement, including monitoring project risk and mitigation measures, or as mutually directed by the Parties.

K.4.2 **Committee Decisions.** Decisions of the Committee will be made as follows:

- (a) the co-chairs will be the only voting members on the Committee; and
- (b) decisions of the Committee must be unanimous and recorded in writing.

K.5.0 ROLE OF THE RECIPIENT

K.5.1 **Requirements.** The Recipient undertakes to fulfill, in addition to any other requirements provided for in this Schedule "K" (Committee), the following:

- (a) establish a fixed location where the Agreement will be managed, and maintain it until the expiry of the Committee's mandate and, if relocation is required, establish a new location;
- (b) prepare and retain, at the location described in paragraph K.5.1(a), and make available to the Committee, all documents needed for the work of the Committee, including payment request forms, approval documents, contracts, and agendas and minutes of meetings of the Committee and its subcommittees;

- (c) ensure that any audit required of the Recipient pursuant to the Agreement is carried out and the results are reported to the Committee;
- (d) ensure that administrative and financial systems are developed and implemented for the Project and the work of the Committee;
- (e) promptly inform the Committee of all proposed changes in respect of any Project;
and
- (f) provide the Committee, as requested and within the timelines set by the Committee, and to the Committee's satisfaction, project status information related to Schedule "D" (Reports).