

**MARINE SECURITY CONTRIBUTION PROGRAM**

**Application Guidelines**

**APRIL 2005**

**ROUND 2**

**Deadline for Submissions**

**Midnight, June 15, 2005**

**Marine Security Contribution Program**

**Transport Canada**

**Place de Ville, Tower C**

**330 Sparks Street**

**23<sup>rd</sup> Floor, ABMI**

**Ottawa, ON**

**K1A 0N5**

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## **CHAPTER 1: Marine Security Contribution Program Information**

### **Purpose**

The Marine Security Contribution Program represents a three-year, \$115 million commitment to assist ports and marine facilities with security enhancements. This program seeks to stimulate investment in port security in order to provide a more consistent security level for all points of entry into Canada for visitors and trade.

### **Goals and Objectives of the Program**

The Marine Security Contribution Program is designed to address the following goals:

- Offset the costs associated with rapid regulatory change placed on marine facility owners and operators;
- Provide an incentive for facility owners and operators to proactively address evolving marine security requirements over the next three years;
- Contribute to a high and consistent security standard for all visitors and trade entering Canada;
- Reduce the likelihood of a marine transportation security incident, including terrorist acts; and,
- Maintain the competitiveness of Canada's marine transportation sector.

The Marine Security Contribution Program will focus on the following three priorities:

Objective No. 1 - Security of Canada's marine transportation system

Objective No. 2 - Economic considerations

Objective No. 3 - Value for money

For detailed information on these objectives refer to the Chapter 3: Evaluation - Project Rating System.

### **Duration**

The Marine Security Contribution Program became effective on December 1, 2004 and ends on November 30, 2007.

### **Eligible Applicants/Recipients**

Applicants must be entities that have a Transport Canada approved Marine Facility Security Plan or Port Facility Security Plan (hereinafter referred to as the Security Plan) pursuant to the *Marine Transportation Security Regulations*. Eligible projects proposed by service providers identified in the Security Plan must be submitted through the holder of the Security Plan.

Crown-owned and federally operated public ports or marine facilities are not eligible applicants, however, individual private sector facilities/operators at those ports may be eligible.

In cases where security enhancement project(s) affect multiple facilities and are identified in the Security Plans of other facilities, the lead applicant must be identified and, with the consent of the other facilities, must submit the security enhancement project(s) on behalf of these other facilities. Refer to Part D - Applicant Declaration.

### **Eligible Projects**

An eligible project is a unique set of activities or functions clearly identified in an approved Security Plan that an applicant has undertaken or proposes to undertake and that must be completed within the timeframe of April 1, 2004 to November 30, 2007.

Projects, which are not clearly identified in a Security Plan, will not be considered for funding.

If the proposed security enhancement project(s) is not identified in the applicable approved Security Plan, the applicant, prior to submitting an application for funding, must prepare an amendment to the Security Plan, identifying the proposed project(s) and submit this amendment to the appropriate Transport Canada Regional Office for approval. No contribution agreement will be entered into unless the amendment is approved by Transport Canada.

### **Eligible Costs**

Eligible costs must be directly attributed to projects, which are identified as security enhancements as per the Security Plan, and must have been incurred from April 1, 2004 to the end of the Marine Security Contribution Program. **All work must be completed by November 30, 2007.** Eligible costs may include, but are not limited to:

- Security and surveillance equipment (e.g. closed circuit televisions (CCTV), Infrared vision devices (IRVision));
- Perimeter security and access control measures (e.g. lighting, fences, gates, lowlight and infrared scanning devices, intrusion alarms, monitoring centres);
- Infrastructure security protective measures;
- Training (e.g. Port Facility Security Officers (PFSO) and those directly related to the above);
- Command, control and communications equipment;
- Personnel costs directly associated with approved projects (e.g. labour, salaries, overtime);
- Security design studies;

- Direct project management and engineering costs in support of the project;
- Environmental assessment for security enhancement project(s); and,
- Signage for recognition of Transport Canada's contribution.

**(Note: Security Guards and salaries related to PFSO's will not be considered at this time.)**

### **Ineligible Costs**

Ineligible costs include:

- Costs incurred prior to April 1, 2004;
- Research and development costs;
- Indirect costs (e.g. overhead, administration, non-security related salaries);
- Consultants hired to prepare Marine Security Contribution Program applications;
- Provincial Sales Tax and Goods and Services Tax for which the applicant is eligible for a tax rebate and any other costs eligible for rebates;
- Economic and viability studies; and,
- Ship security costs.

### **Funding Limits**

The federal government will reimburse up to 75% of eligible costs. Recipients will be responsible for providing at least 25% of the remaining eligible costs and will be expected to provide any supplemental funds sufficient to carry out and complete the project.

The actual reimbursed amount may be less than the project cost; only costs that meet the definition of eligible costs, as per the Contribution Agreement, and that are properly substantiated will be reimbursed.

Transport Canada reserves the right to award contributions in total or in part, depending on the assessment and availability of funding. There is no guarantee that all eligible projects will be funded. Projects, which did not receive funding through this funding round, may be resubmitted for consideration at subsequent funding rounds.

### **Maximum Amount Payable**

Over the life of this contribution program, Transport Canada will contribute up to \$112 million.

The maximum amounts payable over the life of the program are as follows:

- \$10 million per project and
- \$20 million per recipient.

Each project will be analyzed and evaluated on an individual basis, in accordance with the eligibility and cost-sharing criteria to determine the contribution amount.

### **Stacking Provisions**

Total government (federal, provincial, municipal etc.) assistance will not exceed 100% of the eligible costs of the project.

Total federal government assistance will not exceed 75% of eligible costs.

Applicants must identify any and all sources of funding for their project(s) at the time the application is submitted and this will be monitored throughout the life of the project(s).

Amounts exceeding total government assistance or total federal government assistance will constitute an overpayment and will be subject to reimbursement by the recipient.

In the case of an overpayment, or payment of ineligible costs by Transport Canada, such amounts constitute debts due the Crown and recovery action may be taken to have the recipient pay back the amount due. Interest will be charged on overdue repayments as per the Treasury Board *Policy on Transfer Payments*.

### **Contribution Agreement and Payment Provisions**

Both Transport Canada and the recipient must execute a Contribution Agreement before any payment can be made in respect of the project(s). Contribution Agreements will only be entered into with Security Plan holders.

The Contribution Agreement will conform to the Terms and Conditions of the Marine Security Contribution Program and will meet all other requirements of the *Policy on Transfer Payments*.

Contributions will be paid as a reimbursement for actual eligible expenditures made by a recipient, based on evidence of work completed and related invoices, as part of undertaking the project(s). In exceptional cases where advance payments may be

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required, the amount will be determined in accordance with the *Policy on Transfer Payments*.

The scope of a project cannot be changed without written agreement between the recipient and Transport Canada. Costs associated with work performed outside the approved scope of a project, without prior approval of Transport Canada, will be the responsibility of the recipient.

Any costs over and above the approved level of funding will be the responsibility of the recipient.

Any payments made by the government are subject to there being an appropriation by Parliament for the fiscal year in which the payment is to be made. In the event that departmental funding levels are changed by Parliament, a contribution may be reduced or cancelled. The Contribution Agreement will reflect these provisions.

### **Reporting Requirements**

Transport Canada reserves the right to request interim reports as necessary. Report requirements and frequency will be described in the Contribution Agreement.

### **Audit Provisions**

Transport Canada shall have the right of access, information and audit to determine compliance with the Terms and Conditions of the Contribution Agreement.

### **Recognition of Transport Canada's Contribution**

The recipient shall acknowledge Transport Canada's financial contribution in all signage and public information produced as part of the project in a manner acceptable to Transport Canada. Signage shall be in conformance with the Treasury Board of Canada Secretariat *Federal Identity Program*. Refer to [http://www.tbs-sct.gc.ca/fip-pcim/index\\_e.asp](http://www.tbs-sct.gc.ca/fip-pcim/index_e.asp)

Transport Canada will provide the recipient with signage specifications.

### **Official Languages**

All communications, signage and announcements with the public should be in both official languages in accordance with the *Official Languages Act*.

## **CHAPTER 2: Application Process**

### **How to Apply**

All applications are to be submitted in writing, using the enclosed application forms, and submitted to:

Marine Security Contribution Program  
Transport Canada  
Place de Ville, Tower C  
330 Sparks Street  
23rd Floor (ABMI)  
Ottawa, ON  
K1A 0N5

Applicants may submit one application containing multiple projects (the maximum amount payable per project is \$10 million and \$20 million per recipient over the life of the program).

The standardized application documents and application guidelines are also posted on Transport Canada's web site:

[http://www.tc.gc.ca/vigilance/sep/marine\\_security/contribution/menu.htm](http://www.tc.gc.ca/vigilance/sep/marine_security/contribution/menu.htm)

An electronic version can be requested, please refer to Contact Information on page 14 for details.

**Please submit one original and three paper copies of the application for evaluation purposes.**

**Up to \$40 million** will be awarded through this second funding round. Recipients of Round 2 Funding are expected to be announced in October 2005.

The third funding round is planned for December 2005/January 2006. Please check Transport Canada's website regularly for up to date information.

### **Deadline**

In order to be considered for a contribution, the applicant is required to submit a complete application by courier or regular mail **postmarked by 12:00 midnight on June 15, 2005.**

**No hand delivered or e-mailed applications will be accepted.**



## **Contents of Application**

**Please note the following:**

- **A covering letter outlining the security enhancement project(s) should be included at the front of the application.**
- **The standardized application documents must be completed with all of the information and documentation requested in this section.**
- **The application must be completed and signed by the individual authorized to apply for funding on behalf of the applicant organization.**
- **Application is to be typed or clearly printed.**
- **Section 1, 2 and 3 should be stapled separately. Do not use binders or other types of fasteners.**
- **Incomplete applications and applications which are submitted that do not use the standardized application documents may be rejected.**

The Application consists of the following sections:

### **SECTION 1 – Application**

#### **Part A**

This section asks for information that is required to process the application and consists of following sections:

#### **Applicant Details**

This section requests basic organization information that is required to process the application.

#### **Contact Information**

This section requests the identification of two contact people and their coordinates.

### **Eligibility**

This section identifies the applicant's Certificate of Compliance No. for approved Security Plan and identifies type of facility. Applicants must be entities that have a Transport Canada approved Marine Facility Security Plan or Port Security Plan pursuant to the *Marine Transportation Security Regulations*. Eligible projects proposed by service providers identified in the Security Plan must be submitted through the holder of the Security Plan.

If the security enhancement project(s) is not identified in the applicable approved Security Plan, an amendment to the Security Plan, identifying the eligible security enhancement project(s) must be submitted to the appropriate Transport Canada Regional Office for approval.

If the security enhancement projects are contained in other approved Security Plans, identification of other security plan holders involved and their Certificate of Compliance numbers are required. The organization that will be taking the lead must be identified.

### **Type of Business**

This section requests information on your business activities.

### **Part B - Financial**

Identify name of sources of funding and amount of funding for each security enhancement project. Attached to the application form is an overall project budget spreadsheet and overall cash flow statement that must be completed with your application. The spreadsheets are also available on Transport Canada's website.

### **Part C - Evaluation**

The information required in this section will be used to evaluate, rank and assess the project(s).

### **Part D - Applicant Declaration**

This section certifies that all the submitted information provided is accurate and true. If other facilities are involved with this application, the name and signature of the authorized signatory is required. This section also identifies who is authorized to sign the contribution agreement if the security enhancement project(s) are approved for funding.

### **Part E - Checklist**

This checklist has been provided to assist the applicant in ensuring that all required documentation has been included with their application.

An Acknowledgement Card has also been included in the application kit. If the applicant inserts their name and mailing address on the card and returns the card with their application for funding to the Marine Security Contribution Program, the card will be date stamped and returned to the applicant acknowledging receipt of their application for funding.

### **SECTION 2 – Project Details**

Please complete this section for **each** security enhancement project that the applicant is proposing separately, describing the project in detail, as well as including sufficient information to make a thorough evaluation of the project. Indicate which one of the categories applies to the security enhancement project.

The following are examples of the detail of information required for describing your project in question no 1.

- Lighting project – identify type of lighting, quantity, explain if additional hydro poles will be installed, and if there will be any excavation involved. Provide diagram indicating exact location.
- Fencing project – indicate type of fencing, length, height, provide diagram with exact location, indicate if this is an expansion or modification to an existing fence or a new fence.
- Gate project – indicate type and no. of gates, dimensions, and provide diagram with exact location.
- Video Surveillance project - identify type of system, quantity of devices, explain where video surveillance equipment will be installed and indicate if surveillance equipment will be mounted on existing structures or new structure. Provide a diagram with exact location.
- Training project – identify type of training, length of training and no. of employees being trained. Salaries of employees taking the training is not an eligible expense.
- Signage project – identify no. of signs, wording, exact dimensions of sign, location, indicate distance from an existing building and provide a diagram.

Please ensure that all questions in Section 2 are answered in detail as this forms part of the evaluation process.

A project budget and cash flow statement must be submitted separately for each project. In order to clearly justify the expenses as outlined in the project(s) budget, it is necessary for each applicant to submit information regarding all labour costs as applicable.

The Marine Security Contribution Program provides financial assistance on a project basis and as such, funds are not available for ongoing operational costs.

All work must be completed by November 30, 2007.

### **SECTION 3 – Environment**

In support of the government's objective to incorporate sustainable development principles in the management of its programs, whenever possible, the applicant should demonstrate that environmental considerations have been integrated into the project.

Generally, if an eligible security enhancement project was completed before December 1, 2004, the *Canadian Environment Assessment Act* will likely not apply. The applicability of the Act will have to be evaluated on a case-by-case basis.

**All projects submitted, regardless of completion date, must complete the Environmental Assessment Screening Questionnaire for each project in order to determine if an environmental screening is required for the security enhancement project(s).**

If required, for on-going or proposed security enhancement projects, an environmental assessment may be required and must be completed in accordance with the *Canadian Environmental Assessment Act* and approved by Transport Canada.

If the project, in whole or in part, is a project as defined in the *Canadian Environmental Assessment Act*, the applicant shall submit the project for an environmental assessment, a technical review and the project registration under the *Canadian Environmental Assessment Act* prior to initiating such project. The applicant shall carry out the work required to be carried out under any environmental assessment that Transport Canada may be required by law to carry out in connection with the project.

## **CHAPTER 3: Evaluation**

### **Evaluation Process**

The Applications will undergo a three-phase evaluation:

Phase 1 – Initial Screening

Phase 2 – HQ/Regional Review and Evaluation

Phase 3 – National Project Evaluation and Advisory Committee (PEAC)  
Review and Recommendations

The National Project Evaluation and Advisory Committee is based in headquarters and led by the Director General of Marine Security. The evaluation process includes technical, financial, and regional assessments as appropriate.

### **Project Rating System**

The Project Evaluation and Advisory Committee will assess, evaluate and recommend projects in keeping with the overall Marine Security Contribution Program objectives, using a detailed rating system. Each objective will have measurable factors that will be assigned a numeric score and weighted to maintain program priorities. The maximum points for each objective are as follows:

#### Objective No. 1 - Security of Canada's marine transportation system (140 points)

Factors such as those listed below, will be evaluated, with a numeric score assigned:

- i. Overall Security Program priorities of the government:
  - Priority #1: protection of people and related facilities
  - Priority #2: protection of cargo/facilities/vessels
  - Priority #3: prevention of economic losses
- ii. Addresses evolving key vulnerabilities within the marine transportation system; and,
- iii. Strategic importance of the facility.

#### Objective No. 2 - Economic considerations (70 points)

- i. Economic contribution of the facility;
- ii. Recognition of previous (before April 1, 2004) investments for security enhancements; and,
- iii. Overall ability of the eligible applicant to fund required Security Plan projects.

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### Objective No. 3 - Value for money (60 points)

- i. Cost-effectiveness of the proposed approach;
- ii. Projects which contribute to multiple goals or groups of entities affected by the Security Plans (e.g. coordination or shared projects); and,
- iii. Projects which clearly indicate their sustainability and long-term security benefits after the funding program expires (e.g. capital projects).

### Overall Strategic Objectives (50 points)

- i. Support for other government priorities (could include security priorities such as background checks for port workers, or broader initiatives such as environment, anti-organized crime);
- ii. Reinforce/strengthen current initiative and mechanisms addressing comparable security levels at all national ports of entry;
- iii. Address the needs of a wide range of stakeholder groups; and,
- iv. Overall likelihood of success of achieving targets.

An annual review of the project rating system will be undertaken over the course of the program. This will enable the Marine Security Contribution Program to better respond to the changing security environment during the life of the program.

### **Decision**

Upon completion of the evaluation process by Transport Canada, applicants will be notified (by official mail or electronically) regarding the status of the submitted application. Recipients of Round 2 Funding are expected to be announced in October 2005. Projects, which did not receive funding for this round, may be resubmitted by the applicant for consideration at subsequent funding rounds.

### **Contact Information**

Enquiries should be directed to:

Marine Security Contribution Program  
Transport Canada  
Place de Ville, Tower C  
330 Sparks Street  
23rd floor (ABMI)  
Ottawa, ON  
K1A 0N5

Tel: (613) 990-4621  
Fax: (613) 990-4856  
E-mail: [MSCP-PCSM@tc.gc.ca](mailto:MSCP-PCSM@tc.gc.ca)

Website:  
[http://www.tc.gc.ca/vigilance/sep/marine\\_security/contribution/menu.htm](http://www.tc.gc.ca/vigilance/sep/marine_security/contribution/menu.htm)

## **GLOSSARY**

**For the purpose of this guide, the following definitions apply:**

### **A**

**Applicant** (*Demandeur*) - an organization applying for funding from the Marine Security Contribution Program.

**Audits** (*Vérifications*) – examinations of a recipient's accounts, records, or other evidence deemed necessary in the circumstances.

### **C**

**Cash Flow Statement** (*État de l'évolution de la situation financière*) – detailed reporting of actual and projected cash expenses for each requested period of the project's duration, also including a breakdown of sources of funding.

**Contribution** (*Contribution*) – conditional transfer payment to an organization for a specified purpose pursuant to a Contribution Agreement that is subject to be accounted for and audited.

**Contribution Agreement** (*Entente de contribution*) – undertaking between a donor department and a prospective recipient of a contribution, which describes the obligations of each.

### **D**

**Department** (*Ministère*) – Transport Canada and any department that may succeed it.

### **E**

**Expense** (*Dépense*) - disbursement in return for goods and/or services received by an organization.

### **F**

**Federal Government Assistance** (*Aide du gouvernement fédéral*) – all assistance to or for the direct benefit of the Recipient in respect of the project from any federal body or agency or any public authority (a “federal government”) and includes without limitation: every grant or contribution; every loan or loan guarantee by a federal government, other than a Crown corporation whose principal function is of a banking nature; every subsidy by a federal government of interest on any loan; every investment tax credit; and every implicit subsidy. For the purposes of the Marine Security Contribution Program, funds of

the Canada Port Authorities or the St. Lawrence Seaway Management Corporation will not be treated as government monies.

**Fiscal Year** (*Exercice*) – means the fiscal year of the federal government, which starts on April 1<sup>st</sup> and ends on March 31<sup>st</sup> of the following year.

**G**

**Government Assistance** (*Aide du gouvernement*) – all assistance to or for the direct benefit of the Recipient in respect of the project from any federal, provincial, territorial or municipal body or agency or any public authority (a “government”) and includes without limitation: every grant or contribution; every loan or loan guarantee by a government, other than a Crown corporation whose principal function is of a banking nature; every subsidy by a government of interest on any loan; every investment tax credit; and every implicit subsidy.

**P**

**Project** (*Projet*) – an unique set of activities or functions that an applicant proposes to undertake with the contribution funds provided by the department for one security enhancement.

**R**

**Recipient** (*Bénéficiaire*) – the applicant of a selected project entering into a contribution agreement.