

MARINE SECURITY CONTRIBUTION PROGRAM

Application Guidelines Canada Port Authorities

NOVEMBER 2006

ROUND 4

Deadline for Submissions

11:59 pm, January 19, 2007

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

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CHAPTER 1: Marine Security Contribution Program Information

Purpose

The Marine Security Contribution Program began as a three-year, \$115-million commitment to assist ports and other marine facilities with security enhancements. In 2006, the Government announced that the program would be expanded to include domestic ferry terminal operators, Canadian ferry vessel operators who undertake international voyages, and domestic ferry vessel operators; and would also be extended by two years for all eligible applicants, other than Canada Port Authorities.

This program seeks to stimulate investment in 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 including domestic ferry terminal operators, and Canadian and domestic ferry vessel operators;
- Provide an incentive for facility owners and operators including domestic ferry terminal operators, and Canadian and domestic ferry vessel 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 Chapter 4: Evaluation - Project Rating System.

Duration

The Marine Security Contribution Program became effective on December 1, 2004 with an end date of November 30, 2007. On June 22, 2006 the program was expanded to include domestic ferry terminal operators, and Canadian and domestic ferry vessel operators and extended by two years to November 30, 2009 for all eligible applicants, other than Canada Port Authorities.

Eligible Applicants/Recipients (Canada Port Authority (CPA))

Applicants must be CPAs that have a Transport Canada approved Port Facility Security Plan (hereinafter referred to as the Security Plan) pursuant to the *Marine Transportation Security Regulations (MTSR)*.

Crown-owned and federally operated public ports are not eligible applicants.

Eligible Projects (Canada Port Authority)

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.

Where marine security enhancement projects offer both security and operational enhancements, only the security portion will be considered eligible for reimbursement.

If the security enhancement projects are 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 projects 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.

Projects, which are not clearly identified in a Security Plan or in an amendment to the Security Plan, will not be considered for funding.

Waterside security enhancements such as patrol boats will be considered in this funding round.

Eligible Costs (Canada Port Authority)

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.** Only eligible expenses incurred by November 30, 2007 will be reimbursable. Eligible costs may include, but are not limited to:

- Security and surveillance equipment (e.g. closed circuit televisions (CCTV), Infrared vision devices (IRVision), screening equipment, waterside security enhancements such as patrol boats, emergency response equipment);
- 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);

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- Command, control and communications equipment;
- Personnel costs directly associated with approved projects (e.g. labour, salaries, overtime). Security Guard costs and salaries related to PFSO's will not be considered in this funding round.
- Security design studies;
- Direct project management and engineering costs in support of the project;
- Costs relating to environmental assessment for the security enhancement projects which receive funding; and,
- Signage for recognition of Transport Canada's contribution.

Where marine security enhancement projects offer both security and operational enhancements, only the security portion will be considered eligible for reimbursement.

Ineligible Costs (Canada Port Authority)

Ineligible costs include:

- Cost of goods received, or work or services performed, prior to April 1, 2004 or after November 30, 2007;
- Research and development costs;
- Indirect costs (e.g. overhead, administration, non-security related salaries);
- Operational and maintenance costs;
- 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 Contribution Agreement amount; only costs that meet the definition of eligible costs, as per the Contribution Agreement, and that are properly substantiated can be reimbursed.

Any costs over and above the approved level of funding will be the responsibility of the recipient. Firm cost estimates are required for any projected costs.

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 projects at the time the application is submitted and this will be monitored throughout the life of the projects.

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 projects. Contribution Agreements will only be entered into with Security Plan holders.

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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 projects. In exceptional cases where advance payments may be 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. Reporting requirements and frequency will be described in the Contribution Agreement.

Environment

The *Canadian Environmental Assessment Act (CEAA)* states that all projects funded by federal departments must be assessed for their potential environmental impacts. The purpose of the environmental assessment is to identify and mitigate potential impacts as early as possible in the project planning stages and ensure that irrevocable decisions are not made without consideration of the environmental consequences.

If a project:

- is approved, in whole or in part, and
- is a project as defined in *CEAA*, and
- has been identified as requiring an environmental assessment by Transport Canada,

the applicant shall conduct an environmental assessment in accordance with *CEAA* prior to initiating the project or in the case of a project that has already been initiated, upon notification by Transport Canada that completion of an Environmental Assessment Screening Report is required. The applicant shall carry out the work required, as identified by *CEAA*, to the same extent that Transport Canada would be required by law to carry out an environmental assessment in connection with the project.

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

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

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 acknowledgement signage and public information produced as part of the project in a manner acceptable to Transport Canada. Signage specifications are available by contacting the Marine Security Contribution Program office by email at MSCP-PCSM@tc.gc.ca or telephone at (613) 990-4621.

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 (ABMI)
Transport Canada
Place de Ville, Tower C
330 Sparks Street, 23rd floor
Ottawa, Ontario
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).

An electronic version of the standardized application documents and application guidelines is also posted on Transport Canada's web site:

<http://www.tc.gc.ca/MarineSecurity/ContributionSpecialPrograms/contribution/menu.htm>

Please submit one original and three paper copies of the application.

Up to \$10 million will be awarded through this fourth funding round. This funding round is open to Canada Port Authorities, Domestic Ferry Terminal Operators and Domestic Ferry Vessel Operators. Recipients of Round 4 Funding are expected to be announced in the spring of 2007.

The fifth funding round is planned to be launched in the spring of 2007. 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 an application by courier or regular mail **postmarked no later than 11:59 p.m. on January 19, 2007.**

Hand delivered, e-mailed, faxed or late applications will not be accepted.

CHAPTER 3: Application Forms

Please note the following basic requirements:

- 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 or illegible applications and applications which are submitted that do not use the standardized application documents may be rejected.

SECTION 1 - APPLICANT DETAILS:

The Application consists of the following sections:

PART A - ORGANIZATION INFORMATION

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

Applicant Information

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 (Canada Port Authorities)

This section identifies the applicant's Certificate of Compliance No. for approved Security Plan. Applicants must be entities that have a Transport Canada approved Port Security Plan pursuant to the *Marine Transportation Security Regulations*.

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

Type of Business

This section requests information on your business activities.

PART B - EVALUATION INFORMATION

The information required in this section will be used to evaluate, rank and assess the projects.

PART C - APPLICANT DECLARATION

This section certifies that all the submitted information provided is true and complete. This section also identifies who is authorized to sign the contribution agreement if the security enhancement projects are approved for funding.

SECTION 2 - PROJECT DETAILS

Please complete this section for **each** security enhancement project separately, describing the project in detail, as well as including sufficient information to make a thorough evaluation of the project.

For Question 1, please indicate which category applies to the security enhancement project (one category only per project).

For Question 2, the following are **examples** of the detail of information required for describing your security enhancement:

- Lighting - identify type of lighting, quantity, explain if additional hydro poles will be installed, and if there will be any excavation involved. If excavation is involved, indicate the depth, length, width of digging, area of cement work, paving, etc. Provide diagram indicating exact location and distance from a body of water.
- Fencing - indicate type of fencing, length, and height, indicate if this is an expansion, repair or modification to an existing fence or a new fence. If it is a replacement, modified or expanded fence, what is the percentage increase in the length and height? Provide a diagram with exact location and distance from a body of water.
- Gate - indicate type and number of gates, dimensions, and amount of construction (digging, cement work, paving, etc.) involved. Provide diagram with exact location and distance from a body of water.
- Video Surveillance - 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. If the equipment is mounted on a new structure, describe the amount of construction and methodology. Provide a diagram with exact location and distance from a body of water.
- Security training - identify type of training, length of training and no. of employees being trained. **Salary of employees taking the training is not an eligible expense.**

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- Security signage as required by the MTSR - identify no. of signs, exact dimensions of sign, location, indicate whether the signs are to be erected on new or existing structures. If erected on a new structure, describe construction practices. Provide a diagram with exact location and indicate distance from an existing building and from a body of water.

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

SECTION 3 - COSTING

This section contains costing spreadsheets that identify the overall project budget, overall cash flow, and sources and amount of funding for each security enhancement project, which must be completed and submitted with your application.

The Marine Security Contribution Program provides financial assistance on a project basis and as such, funds are not available for ongoing operational and maintenance costs as these costs are ineligible under the program. **Please ensure operational and maintenance costs are excluded from your costing spreadsheets.** All work must be completed by November 30, 2007.

The spreadsheets are also available on Transport Canada's website.

SECTION 4 - 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 (optional) 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.

CHAPTER 4: 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 (Canada Port Authorities)

The Marine Security Contribution Program 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.

Decision

Upon completion of the evaluation process by Transport Canada, an announcement will be made by the Minister and all applicants will be advised in writing regarding the status of their application. It is expected that the recipients of Round 4 funding will be announced in the spring of 2007. **Projects, which did not receive funding in this round, may be resubmitted for consideration at subsequent funding rounds.**

Contact Information

Enquiries should be directed to:

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

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

Website:

<http://www.tc.gc.ca/MarineSecurity/ContributionSpecialPrograms/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.

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.

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Fiscal Year (*Exercice*) - means the fiscal year of the federal government, which starts on April 1st and ends on March 31st 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.

ANNEX A

CANADA PORT AUTHORITIES

Belledune Port Authority
Fraser River Port Authority
Halifax Port Authority
Hamilton Port Authority
Montreal Port Authority
Nanaimo Port Authority
North Fraser Port Authority
Port Alberni Port Authority
Prince Rupert Port Authority
Quebec Port Authority
St. John's Port Authority
Saguenay Port Authority
Saint John Port Authority
Sept-Iles Port Authority
Thunder Bay Port Authority
Toronto Port Authority
Trois-Rivières Port Authority
Vancouver Port Authority
Windsor Port Authority