

**CANADA – MANITOBA**  
**CANADA STRATEGIC INFRASTRUCTURE FUND**  
**AGREEMENT FOR THE EXPANSION OF THE MANITOBA FLOODWAY**

2003-2004 / 2008-2009

**SCHEDULE D - ELIGIBLE AND INELIGIBLE COSTS**

**D.1 Eligible Costs**

D.1.1 Subject to subsection D.2.1, Eligible Costs shall be all direct costs incurred properly and reasonably for the implementation of the Program, such costs must be paid solely and specifically by the Authority, as evidenced at the time of the final audit, and invoiced against a contract for goods and services that were necessary for the completion of a Project Component approved under this Agreement, and may include:

- a) capital costs, as defined and determined according to accounting principles generally recognized in Canada, and relating to the acquisition, construction or renovation of a fixed capital asset;
- b) the costs of surveying, engineering, architectural, supervision, testing, and management consulting services, to a maximum of 15% of total Eligible Costs;
- c) the costs of environmental assessments, and follow-up programs as defined in the *Canadian Environmental Assessment Act*;
- d) the costs of remedial activities and mitigation measures identified in any environmental assessment;
- e) the costs of signage, lighting, and changes to public utilities;
- f) the costs of developing and implementing innovative techniques for carrying out the Project Component as approved in writing in advance by the Committee;
- g) the costs of communication and signage recognition set out in Schedule A that have been approved in advance by the Committee; and
- h) Evaluation costs referred to in Section 10 of the Agreement.

D.1.2 Subject to subsection D.2.1, Eligible Costs may also include the following costs, if incurred properly and reasonably for the implementation of the Program and if paid solely and specifically by the Authority, as evidenced at the time of the final audit:

- a) employee wages and benefits for Authority's staff directly performing work under this Agreement when their expertise and experience will bring added value to the Project Component, to a maximum of 9.6 % of total Eligible Costs;
- b) audit costs; and
- c) other costs that are considered to be direct and necessary for the successful implementation of a Project Component that have been approved in advance, in writing, by the Agreement Oversight Committee, to a maximum of 4 % of total Eligible Costs.

**D.2 Ineligible Costs**

D.2.1 Costs related to the following items are ineligible:

- a) costs incurred before the April 3, 2003 joint project announcement or, in respect of a Project Component, after the Project Component is, in the opinion of Canada, completed;

- b) costs incurred in connection with or pursuant to calls for tenders issued before the April 3, 2003 joint project announcement;
- c) land acquisition, real estate fees and related costs, financing charges and loan interest payments;
- d) leasing land, buildings, equipment and other facilities;
- e) any goods and services cost which are paid by donations or in kind;
- f) other employee wages and benefits not within Sections D.1.1. and D.1.2.;
- g) other operating costs that do not relate to carrying out the Project; and
- h) provincial sales tax and Goods and Services Tax for which the Authority is eligible for a rebate, and any other costs eligible for rebates.